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STATE OF NEW JERSEY DEPARTMENT OF THE TREASURY

DIVISION OF TAXATION ANNUAL REPORT 1992-1993

STATE OF NEW JERSEY

DEPARTMENT OF THE TREASURY

DIVISION OF TAXATION

ANNUAL REPORT

1992-1993

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Highlights

The Division of Taxation is responsible for the administration, processing and enforcement of 30 taxes, generating almost 10 million returns and $12 billion in revenues for the State of New Jersey.

Our highest priority is the strengthening of our enforcement and taxpayer service efforts. To meet our goals, we have been reviewing and modifying many of our administrative procedures, reallocating resources to support our compliance efforts, and increasing our employees' capabilities to resolve account-related problems.

Presently, 61% of our work force is devoted to enforcement. Our emphasis on increased enforcement has shown positive results. Audit assessments are up 35% and the level of uncollected liabilities has declined $100 million, or 25%.

New Collection Initiative

Our new telecollections program concentrates on lower dollar individual and corporate receivables. In addition to Division employees, the Division is assisted in this collection effort by a third-party vendor. The use of telecollections will enable us to direct additional field resources towards finding non-filers.

Electronic Fund Transfers

The implementation of an electronic funds payment program has successfully accelerated the payment of significant tax revenue. It is estimated that by the end of 1996, $7.7 billion, or over one-half of the revenue received by the Division, will be received via electronic funds transfer.

Ensuring Compliance With Corporation Business Tax

A comprehensive Corporation Business Tax training program underway in our Audit Activity is just one of the steps we are taking to ensure that all corporations who have a New Jersey Corporation Tax liability are registering and satisfying their New Jersey tax responsibilities.

Increased Ability to Resolve Taxpayers' Problems

Taxpayer Service representatives have been given increased authority to resolve many account-related problems "on the spot." This has resulted in improved taxpayer and employee satisfaction as well as decreased paperwork.

Taxpayers' Bill of Rights

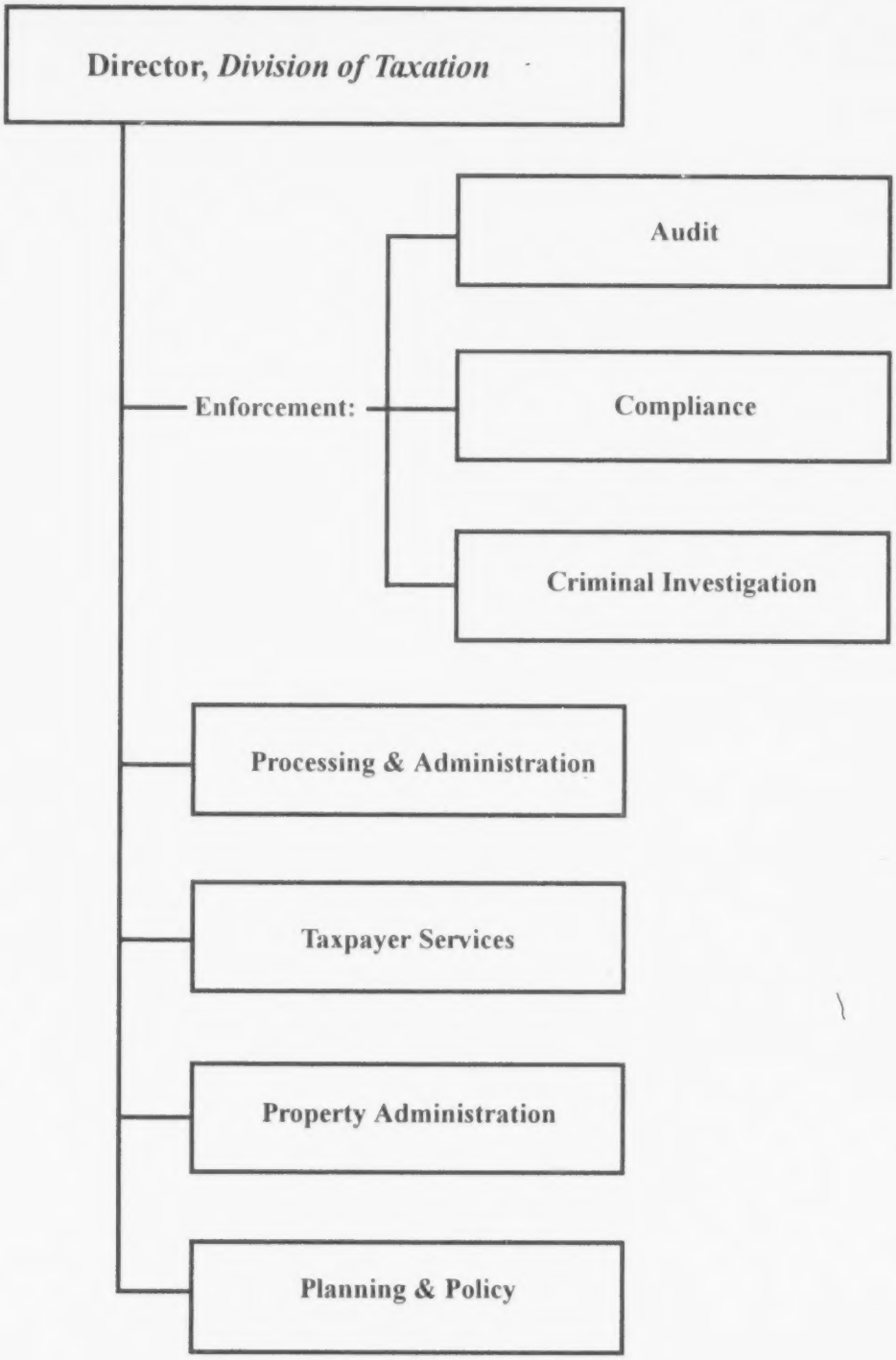
New Jersey's Taxpayers' Bill of Rights was passed and fully implemented in 1993. This bill ensures that all taxpayers are accorded the basic rights of fair and equitable treatment under the law and that all taxpayers receive the information and assistance they need to understand and meet their tax responsibilities. Briefings held throughout the Division highlighted for employees their responsibilities and the Division's new policies and procedures under the law.

Business Incentive Tax Package

The business incentive tax package, signed into law on July 7, 1993, will have a major impact on corporations doing business in New Jersey. Most of the provisions of these laws go into effect in 1994.

I | ORGANIZATION AND ACTIVITIES

DIVISION ORGANIZATION



ENFORCEMENT

AUDIT ACTIVITY

This Activity is responsible for ensuring tax compliance and the collection of outstanding tax liabilities through the examination of information provided on tax returns and by auditing records at the taxpayer's place of business. This Activity consists of six branches: Audit Services, Field Audit, Gross Income Tax Audit, Office Audit, Out-of-State Audit and Inheritance Tax.

Audit Services

The Audit Services Branch selects taxpayers to be audited by both Office Audit and Field Audit and administers the New York/New Jersey Interstate Tax Agreement.

Within the Audit Services Branch:

Audit Selection, through a variety of methods, selects taxpayers to be audited.

Subjectivity makes determinations as to the applicability of New Jersey taxes to foreign corporations.

Audit Billing prepares the bills and processes payments which result from the audits of taxpayers.

CITE Unit is responsible for registration, billing and other administrative duties involved with the New York/New Jersey Interstate Tax Agreement.

Field Audit

The Field Audit Branch audits businesses to determine if they have complied with their obligations under New Jersey's tax statutes. The audits cover all the taxes administered by the Division. Information obtained from an audit may be shared by other jurisdictions who have signed information sharing agreements with the Division.

Future plans to hire 40 additional auditors and support staff in the coming years will support the addition of new offices in Jersey City and in the Northwestern part of the State.

Gross Income Tax Audit

During 1992 and 1993 all audit functions for Gross Income Tax were combined with those functions in the Audit Adjustment Branch to form a new branch called the Gross Income Tax Audit Branch. The main function of this Branch is to audit Gross Income Tax Returns and to maintain and enhance the gross income tax delinquency program.

Future plans include the expansion of the delinquency program to include casino entertainers and entertainers in general who appear in New Jersey and nonresident professional athletes who play in New Jersey. Expansion of the audit selection program is also planned.

Office Audit

The primary responsibilities of this Branch are the audit and refund of Corporation Business Taxes. Other taxes audited include the Alcoholic Beverage Tax, Auto Premium Surtax, Cigarette Tax, Financial Business Tax, Insurance Premiums Tax, Ocean Marine Tax, Retaliatory Tax, Savings Institution Tax, various Sanitary Landfill Taxes and the Spill Compensation Tax. Ancillary functions include the issuance of Tax Lien Certificates, Tax Clearance Certificates and Certificates of Reinstatement of Corporate Charter.

Future plans include the creation of a traveling Corporation Business Tax Audit Team to respond to taxpayers' requests to perform audits at their work sites.

Out-of-State Audit

The Out-of-State Audit Branch has the responsibility to perform field audits for all New Jersey taxes on all taxpayers whose accounting records are maintained outside of the State. Currently the Division has offices in Chicago (Illinois), Anaheim (California), Dallas (Texas) and Norwalk (Connecticut).

Transfer Inheritance and Estate Tax

This Branch administers the Transfer Inheritance Tax and the New Jersey Estate Tax. The Branch is in the advanced stage of converting from a traditionally billed manual system to a self-reporting automated system. The self-reporting system is mandatory for estates of decedents having a date of death on or after January 1, 1991. Safe deposit boxes are no longer inventoried by the Division; the contents of the boxes may now be released without Division inspection.

Audit Highlights

- Audit statistics:

	FY 1992	FY 1993
Total Auditors	236	317
Assessments	$200,900,000	$303,700,000
Audits Completed	43,500	47,900
Avg. per Auditor	$850,000	$950,000

- A six-day Corporation Business Tax training course was initiated for audit personnel.

COMPLIANCE ACTIVITY

Except for criminal prosecutions the bulk of the Division's collection and enforcement efforts are handled by the Compliance Activity, which is composed of three branches: Special Procedures, Investigations and Office Collections.

Special Procedures

The Special Procedures Branch handles the specialized functions of Bankruptcy, Bulk Sales, Judgments, Offers in Compromise, Condemnations and Foreclosures, and Attorney General Referrals.

Investigations

The Investigations Branch investigates new and existing businesses to insure compliance with State tax laws, and in addition to collecting delinquent and deficient taxes, when appropriate, files Certificates of Debt, conducts levies, seizures, and auctions of taxpayer assets, and prosecutes violators in municipal court.

Office Collections

The Office Collections Branch, in addition to Delinquency, Motor Vehicle Casual Sales, Gross Income Tax and Set-Off of Individual Liability (SOIL) programs, also handles Deferred Payment Plans and a new Telecollections program. This Telecollections program involves a new, more cost effective way of collecting relatively low liability debts through the coordinated use of telephones and mailed notices. Telecollections is a two-pronged effort utilizing both Division personnel and a private collection agency whose employees have the same authority and on-line capabilities as our in-house telecollectors.

Compliance Highlights

- In fiscal 1992, 167 collectors in the Compliance Activity closed 78,132 cases and brought in revenue of $126,042,043. Bankruptcy claims filed totaled 626, and 6,663 Certificates of Debt were filed in Superior Court. At the close of the fiscal year, there were 1,022 active deferred payment plans.
- In fiscal 1993, 232 collectors closed 172,869 cases and brought in revenue of $149,105,389. There were 793 Bankruptcy claims and 7,753 Certificates of Debt filed. At the end of the fiscal year, there were 1,546 active deferred payment plans.

CRIMINAL INVESTIGATION

The Office of Criminal Investigation/Motor Fuels is responsible for the detection and investigation of violations of the State tax code and administration of the Motor Fuels Tax.

Within the Office of Criminal Investigation/Motor Fuels:

Motor Fuels Section joined the Office of Criminal Investigation in July 1992. The responsibilities of this section include the administration of Motor Fuels Tax laws, licensing all entities which handle motor fuels and reviewing all tax returns. The section is also responsible for delinquencies, deficiencies, audits and investigations of civil noncompliance of the Motor Fuels Tax statutes.

Because new legislation in 1992 changed the point of taxation for motor fuels to the retail level, extensive effort was taken to license newly subject retail operations and to encourage voluntary compliance.

Office of Criminal Investigation, based on investigative findings, can recommend criminal prosecution to the Division of Criminal Justice or County Prosecutor's office for appropriate action. The majority of cases are identified through self generated information gathering projects, referrals from other functions within the Division and requests for joint investigations from other enforcement agencies and prosecutors' offices.

OCI joined with the New Jersey State Police Alcohol Beverage Control Unit to form a combined task force

(ABC Project) to conduct investigations of liquor license holders across the State.

OCI's future plans include: continuing to monitor areas of noncompliance with the State's tax laws. Planned investigations include the furniture, auto body and appliance sectors. In-house efforts of the motor fuels section will focus on the field audit program, with emphasis being given to retail dealer compliance and adherence to specific license requirements.

Criminal Investigation Highlights

- Criminal Investigation statistics:

	FY 1992	FY 1993
Assessments	$4,949,649	$5,735,200
Prosecution Referrals	62	69
Sentences	38	39

- Revenue for Motor Fuels increased $30 million during fiscal year 1993; 4,030 new licenses were issued; and 56,239 returns were reviewed.

PROCESSING AND ADMINISTRATION

This Activity is responsible for processing all returns and forms, deposit of receipts, taxpayer registration, revenue and taxpayer accounting and various administrative functions. The Activity consists of four branches: Management Services, Processing & Revenue Accounting, Taxpayer Accounting and Taxpayer Registration.

Management Services

The Management Services Branch is responsible for facilities management of all property occupied by the Division, the record management program and mail services for the entire Division.

Processing & Revenue Accounting

The Processing & Revenue Accounting Branch is responsible for the initial processing of all tax returns and payments to the Division, accounting for and reconciling the revenue received by the Division and depositing the revenue in a timely manner. The Branch is also responsible for administering the Set-Off of Individual Liability (SOIL) program. This program helps collect amounts owed to State agencies by "setting-off" the Gross Income Tax refunds and/or Homestead Property Tax Rebates of individuals indebted to those agencies.

Within the Processing & Revenue Accounting Branch:

Returns Processing Section is responsible for extracting, screening, coding, and assigning a control number to each tax return and/or payment received by the Division. In addition, the section receives, sorts and routes general correspondence and responses to Division-generated notices or letters.

Data Input & Control Section captures the data from the actual tax return and converts it to electronic media.

Process Accounting Section prepares and deposits checks, and enters the revenue amounts into the New Jersey Financial Information System. The section also administers the SOIL program.

Book Accounting Section accounts for all revenues deposited by the Division of Taxation, handles the taxes with smaller taxpayer bases not processed through the Division's mainframe computer systems, and disburses revenues required to be allocated to county or local tax jurisdictions.

Data Perfection Section is responsible for the purification of the keyed tax return data to be processed by the Division's tax administration systems.

Electronic Funds Transfer Section is responsible for designing and implementing the electronic funds transfer (EFT) system and registering taxpayers for this program.

Taxpayer Accounting

The primary responsibilities of the Taxpayer Accounting Branch include issuing bills for underpayments of tax, penalty and/or interest, review of selected bill and refund/credit requests (primarily by correspondence) based on the filing of a tax return and adjusting taxpayer accounts to correctly reflect the proper tax liability and payment information.

Within the Taxpayer Accounting Branch:

Review Section is responsible for examining selected bills and refund/credit requests resulting from the filing of an individual income tax return. Since these bills or refund/credit requests have not received automatic system approval, this section manually researches each account to determine the correct action to be taken.

Correspondence Section is responsible for providing accurate and timely responses to all incoming taxpayer correspondence in connection with taxpayer billing, refund and adjustment activity. This section also staffs the Tax Practitioners Hotline which provides essential service to tax preparers.

Business Tax Section is responsible for the review, approval and adjusting of tax underpayments for the following taxes: Sales & Use Tax, Gross Income Tax Withholding, Business Personal Property Tax, Litter Control Tax, Spill Compensation & Control Tax, Petroleum Products Gross Receipts Tax and Cigarette Tax.

Support Section provides administrative support and clerical assistance to the technical and professional staff. In addition, this section is responsible for preparing all incoming correspondence for the Correspondence Section, requesting all tax returns from return files for the Review Section and for final processing of all checks received by the Branch.

Taxpayer Registration

The Taxpayer Registration Branch is responsible for registering new taxpayers and maintaining registration information on previously registered taxpayers. This Branch also maintain records for individuals and businesses and issues licenses.

Processing & Administration Highlights

- Received, processed and accounted for approximately $12 billion each year (80% of all incoming revenue received by the State of New Jersey). Processed over 17.8 million tax returns and payments each year.
- Designed and implemented an electronic funds transfer system and registered the first 4,500 taxpayers who met the requirements for EFT filing during the first year. It is estimated that by the end of 1996, $7.7 billion, or over one-half of the revenue received by the Division, will be received via electronic funds transfer.
- Reviewed 72,593 individual income tax underpayments, approved billings of over $56.9 million and collected $41.1 million through invoice payments.

TAXPAYER SERVICES

Taxpayer Services is responsible for encouraging voluntary compliance by providing taxpayers the information and assistance they need to meet their New Jersey tax responsibilities.

Within the Taxpayer Services Branch:

Tax Hotline has a maximum staff of 60 agents who answer questions on all taxes administered by the Division. In 1993, the Hotline began resolving account related problems by making on-line adjustments. This service, which continues to expand, provides immediate assistance and in many cases, eliminates the need for the taxpayers to correspond with the Division.

Automated, toll-free services are also provided, including recorded tax information and an automated refund inquiry system.

Field Offices provide personalized, walk-in assistance. There are currently seven field offices. These offices specialize in Income Tax return preparation, Homestead Rebate issues, business registrations and resolution of account related problems.

Office of Communication was created in February, 1992. It is responsible for tax publications including the *State Tax News*, technical bulletins and tax instructions; general taxpayer correspondence and referrals; and education, including speaking engagements and Small Business Workshops.

Taxpayer Services Highlights

- Taxpayer Services statistics:

	FY 1992	FY 1993
Phone calls	2.4 million	2.8 million
Correspondence	5,000 letters	11,000 letters
On-line Adjustments	—	51,000

- Major publications included revision of the NJ-1040 packet in 1992, and Taxpayers' Bill of Rights materials in 1993.

PROPERTY ADMINISTRATION

This Activity is responsible for the implementation of standards dealing with County Tax Board rules and regulations; certification of assessors and tax maps; preparation of the annual Table of Equalized Valuations and tax abatement statistics; assistance to local property tax administrators; administration of farmland assessments and realty transfer fee; apportionment to local taxing districts of revenue sharing; personal property replacement; in lieu of payments on State owned property; and services to other departments and individuals. This Activity consists of five branches: Field Assistance, Policy and Planning, Railroad Tax, Sales Ratio and Unclaimed Property.

Field Assistance

Field Assistance is provided to the 21 County Boards of Taxation in the State by Division field personnel and office staff through correspondence, telephone calls and field visits. This direct assistance provides aid to local assessors in solving day-to-day administrative problems. Specialized assistance is provided in the case of property exemptions, deductions, appraisals of special purpose or unusual properties, and introductory training for new assessors.

Railroad Tax

The Railroad Tax Branch is responsible for: (1) the classification, assessment and taxation of railroad properties; (2) the computation and assessment of the railroad franchise tax; (3) the determination of railroad replacement revenues for municipalities in which railroad property is located; (4) the determination of special appropriation to those municipalities in which Class II railroad property owned by New Jersey Transit Corporation is located; and (5) the review and approval of tax maps for municipal revaluations.

Sales Ratio

The Sales Ratio Branch is responsible for the administration of the public utility and energy taxes, and overseeing the sales ratio program and Municipal Purposes Tax Assistance Fund.

Within the Sales Ratio Branch:

Public Utility Tax Section is charged with the responsibility of assessing the appropriate taxes on identified public utilities, collecting and transmitting the revenue, apportioning the money to the municipalities of the State, and determining the amounts to be distributed from the fund.

Sales Ratio Section is charged with the responsibility of overseeing the creation and preparation of the State Abstract of Ratables, the Table of Equalized Valuations and the operation of the State's Sales Ratio recording program, and the Municipal Purposes Tax Assistance Fund (MPTAF).

Unclaimed Property

The Unclaimed Property Branch is responsible for the maintenance of more than one million records of unclaimed property in the protective custody of the State Treasurer.

Property Administration Highlights

- Assessed Franchise, Gross Receipts and Energy Unit taxes in excess of $1021.2 million for municipal use and $195.1 for State use in 1993.
- Distributed $862.0 million of collected public utility taxes to the municipalities of the State in 1993.
- In fiscal year 1993, the New Jersey Debt Services section processed payments for principal and interest in the amount of $420 million.

PLANNING AND POLICY

This Activity consists of four branches: Conference and Appeals, Data Systems and Telecommunications, Office of Tax Analysis and Tax Services. Together these branches are responsible for maintaining the Division's computer support systems, forecasting State tax revenue, conducting administrative hearings, writing tax regulations and evaluating all proposed tax legislation.

Conference and Appeals

The Conference and Appeals Branch is responsible for conducting administrative hearings on all timely filed protests of Division determinations. The Branch also hears protests of non-monetary issues such as subjectivity to filing returns and the denial of claims from organizations requesting exempt status. Last year, approximately 1,500 hearings were conducted thereby reducing by 50% the previous case backlog. The Branch works closely with the Attorney General to coordinate the cases that have been appealed to the Tax Court of New Jersey.

Data Systems and Telecommunications

The Data Systems and Telecommunications Branch, with the Office of Telecommunication and Information Systems (OTIS), maintains the Tax Administration computer systems which are among the largest in State government. Moreover, Data Systems develops/maintains micro-based systems/networks throughout the Division. In addition, the Branch serves as liaison with other State and Federal agencies and the end users of data processing resources within Taxation. The Branch aids in the automated and manual systems design required by new legislation and recommends and evaluates new technological concepts. This Activity is chiefly responsible for the design and specifications of all New Jersey tax forms, site inspection of prospective vendors and overall form quality assurance.

Tax Analysis

The Office of Tax Analysis monitors and forecasts over $11 billion in revenue collected for 14 of the taxes administered by the Division. Tax impact estimates are prepared for use in fiscal note worksheets to accompany legislative bills proposing changes to the tax code. The unit also monitors national and State economic conditions and conducts research needed to anticipate economic and business trends that affect tax revenue.

Future plans include implementation of ongoing quarterly analyses of both Sales Tax and employer withholdings by the business sector to improve the Division's ability to monitor and forecast revenues, and improvement in the range of economic outlook data used in the revenue forecasting process.

Tax Services

The Tax Services Branch drafts rules, regulations and notices for publication in the *New Jersey Register*, *State Tax News*, etc.; acts as the Division's liaison with the Office of the Attorney General; provides internal advice to Division management and staff on all tax laws administered by the Division; drafts proposed legislation; administers the processing and granting of all Exempt Organization Permits pursuant to the Sales and Use Tax Act; and analyzes, researches and responds to all taxpayers' inquiries and requests for technical advice. In addition to its regulation and administrative work, the Branch responds to over 2,000 written inquiries per year and handles approximately 16,000 telephone inquiries.

Planning & Policy Highlights

- Implemented and designed many system changes due to recently passed tax legislation and/or Division initiatives (for example, reduction in Sales Tax from 7% to 6%, and implementation of the Taxpayers' Bill of Rights, Electronic Funds Transfer, Motor Fuels Tax and the Economic Recovery Package of 1993).
- Project EZ-GENTS began to provide easy access and consolidated data from various aspects of TAXNET. This is one in a series of projects intended to improve the user-friendliness of Taxation's complex computer systems.
- During fiscal year 1993, developed an individual Gross Income Tax model based on a sample of 1991 New Jersey returns for simulating the effects of tax policy changes.

II | SOURCES OF REVENUE

Table 1—Major State Tax Collections (Net)
Fiscal Years 1991–1993

Tax Source	1993[1]	% of Total	1992	% of Total	1991	% of Total	% Change 1992–93
Collected by the Division:							
Alcoholic Beverage	$77,362,169	0.6%	$80,546,708	0.6%	$81,066,184	0.7%	–4.0%
Business Personal Property	11,145,746	0.1	11,854,902	0.1	14,553,142	0.1	–6.0
Cigarette	250,099,932	1.8	264,850,949	2.1	271,266,592	2.2	–5.6
Corporation:							
Corporation Business	960,513,275	7.1	909,618,920	7.1	1,063,089,390	8.7	5.6
CBT Banks & Financials	61,375,391	0.5	17,411,936	0.1	48,200,249	0.4	252.5
Corporation Income	1,837,055	0.0	1,070,092	0.0	143,132	0.0	71.7
Environmental Taxes:							
Landfill Closure and Contingency	1,392,922	0.0	1,530,846	0.0	1,689,746	0.0	–9.0
Litter Control	9,597,429	0.1	9,417,226	0.1	9,260,884	0.1	1.9
Public Community Water Systems	2,787,526	0.0	2,774,926	0.0	2,952,570	0.0	0.5
Resource Recovery Investment	10,593,313	0.1	11,844,983	0.1	13,825,174	0.1	–10.6
Solid Waste Importation	4,852,219	0.0	3,970,116	0.0	5,547,746	0.0	22.2
Solid Waste Recycling	7,317,015	0.1	8,274,081	0.1	10,722,180	0.1	–11.6
Solid Waste Services	2,299,731	0.0	2,425,829	0.0	2,654,634	0.0	–5.2
Spill Compensation	15,683,504	0.1	17,413,414	0.1	19,277,150	0.2	–9.9
Financial Business	85,021	0.0	48,573	0.0	45,244	0.0	75.0
Gross Income	4,323,936,700	31.8	4,101,895,000	31.8	3,391,026,222	27.8	5.4
Insurance Premiums	220,086,373	1.6	201,571,502	1.6	191,595,607	1.6	9.2
Miscellaneous Revenues	3,644,336	0.0	2,300,879	0.0	1,156,290	0.0	58.4
Motor Fuels	411,627,597	3.0	393,593,391	3.1	390,969,410	3.2	4.6
Petroleum Products	175,666,239	1.3	168,539,223	1.3	143,329,285	1.2	4.2
Public Utility Excise (State Use)	195,172,920	1.4	135,584,375	1.1	124,661,999	1.0	43.9
Public Utility Excise (Mun. Use)	1,495,570,872	11.0	973,372,160	7.6	960,614,325	7.9	53.6
Railroad Franchise	3,635,709	0.0	15,658	0.0	2,592,316	0.0	23119.5
Railroad Property	2,323,765	0.0	2,306,029	0.0	2,169,088	0.0	0.8
Sales:							
Sales and Use[2]	3,650,157,158	26.9	4,009,960,467	31.1	4,013,147,198	32.9	–9.0
Alcoholic Beverage Wholesale[3]	0	0.0	10,339,504	0.1	29,658,481	0.2	–100.0
Atlantic City Luxury (Local Use)	16,853,423	0.1	17,386,477	0.1	17,857,117	0.1	–3.1
Tobacco Products Wholesale	4,077,114	0.0	4,613,938	0.0	4,571,489	0.0	–11.6
Savings Institution	24,389,625	0.2	15,325,819	0.1	6,655,203	0.1	59.1
Transfer Inheritance and Estate	255,455,559	1.9	225,210,867	1.7	212,825,520	1.7	13.4
Tax Compliance (enhanced)	62,847,378	0.5	–		–		
Taxes Collected by the Division	$12,262,387,016	90.3	$11,605,068,790	90.1	$11,037,123,567	90.4	5.7
Collected Outside the Division:							
Boxing-Wrestling-TV	395,926	0.3	288,238	0.0	671,219	0.0	37.4
Casino Revenue	285,400,725	2.1	256,493,000	2.0	232,215,284	1.9	11.3
Casino Control	54,482,485	0.4	57,202,000	0.4	14,386,668	0.1	–4.8
Lottery	581,600,000	4.3	574,209,000	4.5	528,407,923	4.3	1.3
Motor Fuels Use	7,705,625	0.1	8,516,438	0.1	9,216,518	0.1	–9.5
Motor Vehicle Fees	343,884,302	2.5	340,636,985	2.6	342,175,767	2.8	1.0
Outdoor Advertising	240,000	0.0	277,689	0.0	239,543	0.0	–13.6
Pari-Mutuel	6,876,593	0.1	6,954,771	0.1	7,162,913	0.1	–1.1
Realty Transfer	36,988,423	0.3	35,297,210	0.3	32,201,176	0.3	4.8
Taxes Collected Outside the Division	$1,317,574,079	9.7	$1,279,875,331	9.9	$1,166,677,011	9.6	2.9
Total Major State Tax Collections	**$13,579,961,095**	**100.0**	**$12,884,944,121**	**100.0**	**$12,203,800,578**	**100.0**	**5.4**

[1] The 1993 figures are subject to adjustment.

[2] Rate increased to 7% on July 1, 1990 and was reduced to 6% on July 1, 1992.

[3] Rate reduced to 2.9% on July 1, 1990 and to 1.5% on July 1, 1991. No tax as of July 1, 1992.

Statutory Responsibilities

Responsibilities of the Division of Taxation arise under the following statutory provisions:

Tax	N.J.S.A. Citation
Alcoholic Beverage Tax	54:41-1 *et seq.*
Alcoholic Beverage Wholesale Sales Tax	54:32C-1 *et seq.*
Atlantic City Luxury Sales Tax	40:48-8-15 *et seq.* 54:32B-24.1 *et seq.*
Business Personal Property Tax	54:11A-1 *et seq.*
Cigarette Tax	54:40A-1 *et seq.* 56:7-18 *et seq.*
Corporation Business (Net Income and Net Worth) Tax	54:10A-1 *et seq.*
CBT Banking Corporation	54:10A-1 *et seq.*
CBT Financial Corporation	54:10A-1 *et seq.*
Corporation Income Tax	54:10E-1 *et seq.*
Financial Business Tax	54:10B-1 *et seq.*
Gross Income Tax	54A:1-1 *et seq.*
Insurance Premiums Tax	54:16-1 *et seq.* 54:16A-1 *et seq.* 54:18A-1 *et seq.* 54:17-4 *et seq.*
Landfill Closure And Contingency Tax	13:1E-100 *et seq.*
Litter Control Tax	13:1E-92 *et seq.*
Local Property Tax	54:4-1 *et seq.*

Tax	N.J.S.A. Citation
Motor Fuels Tax	54:39-1 *et seq.*
Petroleum Products Gross Receipts Tax	54:15B-1 *et seq.*
Public Community Water System Tax	58:12A-1 *et seq.*
Public Utility Taxes:	
Public Utility Excise Taxes	54:30A-16 *et seq.* 54:30A-49 *et seq.*
Railroad Franchise Tax	54:29A-1 *et seq.*
Railroad Property Tax	54:29A-1 *et seq.*
Realty Transfer Fee	46:15-5 *et seq.*
Resource Recovery Investment Tax	13:1E-1 *et seq.*
Sales and Use Tax	54:32B-1 *et seq.*
Savings Institution Tax	54:10D-1 *et seq.*
Solid Waste Importation Tax	13:1E-1 *et seq.*
Solid Waste Recycling Tax	13:1E-92 *et seq.*
Solid Waste Services Tax	13:1E-1 *et seq.*
Spill Compensation And Control Tax	58:10-23.11 *et seq.*
Tobacco Products Wholesale Sales and Use Tax	54:40B-1 to 14
Transfer Inheritance And Estate Taxes:	
Transfer Inheritance	54:33-1 *et seq.*
Estate	54:38-1 *et seq.*

Alcoholic Beverage Tax

Description
The Alcoholic Beverage Tax is applied to the first sale or delivery of alcohol to retailers in New Jersey and is based upon the number of gallons sold or otherwise disposed of in the State. The tax is collected from licensed manufacturers, wholesalers, and State beverage distributors.

Sales to organizations of armed forces personnel are exempt; so are sales for medicinal, dental, industrial and other non-beverage uses.

Rate

Type of Beverage	*Rate per Gallon*
Beer	$0.12
Liquor	$4.40
Still Wine, Vermouth, Sparkling Wine	$0.70

Disposition of Revenues
Revenues are deposited in the State Treasury for general State use.

Alcoholic Beverage Wholesale Sales Tax

Description
The Alcoholic Beverage Wholesale Sales Tax was repealed as of July 1, 1992. The tax applied to receipts from every sale of alcoholic beverages, except draught beer sold by the barrel, by any wholesaler to any retail licensee.

Rate
The tax is no longer imposed.

Disposition of Revenues
The State Treasury receives 89.25% of the revenues for general State use; the rest is deposited in a special account known as the Alcoholism Education and Rehabilitation Fund.

Atlantic City Luxury Sales Tax

Description
The Atlantic City Luxury Sales Tax applies to the receipts from the sale of specified retail sales within Atlantic City, including sales of alcoholic beverages for on-premises consumption; cover, minimum, or entertainment charges; room rental in hotels, inns, rooming or boarding houses; hiring of rolling chairs, beach chairs and cabanas; and tickets of admission within Atlantic City.

Casual sales, sales to New Jersey or its political subdivisions, sales exempt under Federal law, and sales by a church or nonprofit charitable organization are exempt.

Rate
The rate of tax is 3% on sales of alcoholic beverages and 9% on other taxable sales. The State sales tax rate is reduced to the extent that the city rate exceeds 6%, and the maximum combined Atlantic City rate and New Jersey rate may not exceed 12%.

Disposition of Revenues
Revenues are forwarded to the Atlantic County Improvement Authority.

Business Personal Property Tax

Description
The Business Personal Property Tax applies to individuals, partnerships, corporations and associations which own tangible personal property used in business in this State. The tax base, referred to as taxable value, is 50% of original cost. Only equipment acquired before January 1, 1977 is taxed.

Major exemptions to the tax include personal property held as inventory, used in production or farming, or held for resale; personal property permanently affixed to real property; and motor vehicles.

Rate
The tax rate is 1.3% of taxable value, which is 50% of original cost.

Disposition of Revenues
Revenues collected from general business entities are deposited in the State Treasury for general State use. Revenues collected from banking corporations are distributed 25% to counties; 25% to municipalities; and 50% to the State.

Cigarette Tax

Description
The Cigarette Tax is collected primarily from licensed distributors who receive cigarettes directly from out-of-state manufacturers. Unless otherwise provided by law, every package of cigarettes must be stamped before being transferred from the original acquirer in New Jersey. This tax is not imposed on other tobacco products.

Sales to the United States Government or the Veterans Administration, and sales in interstate commerce, are exempt.

Rate
The tax rate is $0.20 for each ten cigarettes or fraction thereof, $0.40 for a pack of 20 cigarettes, $0.50 for a pack of 25 cigarettes.

A distributor is allowed a 1.13% discount on the purchase of 1,000 or more stamps or meter impressions.

Disposition of Revenues
Revenues are deposited in the State Treasury for general State use.

Corporation Business Tax

Description
The Corporation Business Tax Act imposes a franchise tax on a domestic corporation for the privilege of existing as a corporation under New Jersey law, and on a foreign corporation for the privilege of having or exercising its corporate charter in this State or doing business, employing or owning capital or property, or maintaining an office in New Jersey.

The tax applies to all domestic corporations and all foreign corporations having a taxable status unless specifically exempt. The tax also applies to joint-stock companies or associations, business trusts, limited partnership associations, financial business corporations, and New Jersey banking corporations, including national banks.

The tax is measured by that portion of the net income allocable to New Jersey. The tax applies to net income for the firm's accounting period (calendar year or fiscal year), or any part thereof during which the corporation has a taxable status within New Jersey.

Exempt from the tax are certain agricultural cooperative associations; building and loan associations and savings and loan associations; Federal corporations which are exempt from state taxation; corporations created under the Limited-Dividend Housing Corporation law; nonprofit cemetery corporations; nonprofit corporations without capital stock; non-stock Mutual Housing Corporations; railroad and canal corporations; street, railway, gas, light, power and other corporations using the public streets; utilities subject to gross receipts or unit-based franchise and additional excise tax and insurance companies subject to premium tax; and international banking facilities.

Rate
The tax rate is 9% upon entire net income, or the portion of net income allocated to New Jersey. The minimum tax is $25 for domestic corporations and $50 for foreign corporations. A surtax of 0.375% is levied on corporate net income for the 1992 and 1993 tax years.

Disposition of Revenues
Revenues collected from general business corporations are deposited in the State Treasury for general State use. Revenues collected from banking and financial corporations are distributed 25% to counties, 25% to municipalities, and 50% to the State.

History
Corporation Business Taxes date back to 1884 when a franchise tax was imposed upon all domestic corporations. Between 1884 and 1946, the franchise tax was based upon the total amount of capital stock issued by the taxpayer and outstanding as of January 1 of each year (C. 159, P.L. 1884).

There was no franchise tax on foreign corporations prior to 1936, when provision was made for an annual tax (C. 264, P.L. 1936). This tax was replaced in 1937 (C. 25, P.L. 1937) with a new franchise tax providing for allocation of capital stock of foreign corporations.

Effective January 1, 1946 (C. 162, P.L. 1945), the tax became a net worth tax applicable to both domestic and foreign corporations and measured by net worth allocated to New Jersey. Allocation was measured by the greater of an assets factor or a three-part business factor (property, sales and payroll).

Chapter 88, Laws of 1954 increased the tax on allocable net worth from 8/10 mills per $1 to 2 mills per $1.

Chapter 63, Laws of 1958 amended the Corporation Business Tax Act by adding a tax at 1¾% based upon allocated net income to the tax based upon allocated net worth. The 1958 amendment also changed the tax year from a calendar year for all corporations to a privilege period coinciding with the accounting year for each taxpayer.

In 1975, the Corporation Business Tax was imposed on banking corporations and incorporated financial businesses.

In 1982, there was enacted into law a measure phasing out the Corporation Business Tax on net worth. The tax was phased out at 25% per year over a four-year period with taxpayers whose accounting or privilege periods began on or after April 1, 1983 (C. 55, P.L. 1982). The net worth tax has been eliminated for periods beginning after June 30, 1986.

Net Income Tax rates have changed as follows:

Effective Date	*Rate*
January 1, 1959 (C. 63, P.L. 1958)	1¾%
January 1, 1967 (C. 134, P.L. 1966)	3¼
January 1, 1968 (C. 112, P.L. 1968)	4¼
January 1, 1972 (C. 25, P.L. 1972)	5½
January 1, 1975 (C. 162, P.L. 1975)	7½
January 1, 1980 (C. 280, P.L. 1980)	9

Chapter 143, Laws of 1985 (approved April 22, 1985) allows a carryover of net operating loss as a deduction from taxpayer's entire net income for seven years following the year of the loss for taxable years ending after June 30, 1984.

A surtax of 0.417% is invoked for privilege periods ending between July 1, 1990 and June 30, 1991; and 0.375% for privilege periods ending between July 1, 1989 and June 30, 1990 and July 1, 1991 through June 30, 1993.

Installment Payments of Estimated Tax

Taxpayers are required to make installment payments of Estimated Tax. The requirement for making these payments is based on the amount of the Total Tax Liability shown on the most recent return.

(a) If the Total Tax Liability is $500 or more, the taxpayer must make installment payments. These payments are due on or before the 15th day of the 4th, 6th, 9th and 12th month of the tax year.

(b) If the Total Tax Liability is less than $500, installment payments may be made as shown in (a) above or, in lieu of making installment payments, the taxpayer may make a payment of 50% of the Total Tax Liability.

Banking and Financial Corporations

Banking and financial corporations are subject to the Corporation Business Tax Act at the rate of 9% on net income.

Chapter 170, P.L. 1975 provides that during each of privilege years 1976, 1977 and 1978, the amount paid by each banking corporation as taxes shall be the greater of (1) the amount which such banking corporation paid in calendar year 1975 as Bank Stock Tax, or (2) a sum equal to total of taxes paid by such banking corporation as Corporation Business Tax and Business Personal Property Tax.

Formerly banks were subject to a tax of 1.5% on net worth under the Bank Stock Tax Act. Bank Stock Tax was formerly administered by the Division of Taxation and the 21 separate County Boards of Taxation. The corporate tax upon banks is now solely administered by the Division.

Financial business corporations were formerly subject to the Financial Business Tax. These included such corporations as small loan companies and mortgage finance companies which are now subject to the Corporation Business Tax. Financial Businesses not operating in a corporate capacity remain subject to the Financial Business Tax. Both taxes are administered by the Division.

Chapter 171, P.L. 1975 provides that during each of the years 1976, 1977 and 1978, each financial business corporation shall pay as taxes, the greater of (1) a sum equal to the amount such financial business corporation paid under the Financial Business Tax Act in the calendar year 1975, or (2) a sum equal to the total of the taxes payable by such financial business corporation pursuant to the Corporation Business Tax Act. Chapter 40, P.L. 1978 extended the save harmless provision through 1979. It expired in 1980.

Investment Companies

Investment companies and regulated investment companies are subject to tax under special allocation formulas.

A taxpayer qualifying and electing to be taxed as an investment company is subject to an allocation percentage of 25% of the net income base. These investment companies are subject to a minimum tax of $250.

Regulated Investment Company means any corporation which, for a period covered by its reports, is registered and regulated under the Investment Company Act of 1940 (54 Stat. 789), as amended.

The Corporation Business Tax on regulated investment companies was eliminated (P.L. 1983, C. 75), approved on February 24, 1983. Regulated investment companies in New Jersey were formerly taxed on both entire net worth and entire net income. These taxes are now eliminated and a flat tax of $250.00 per year is imposed.

Real estate investment trusts qualifying and electing to be taxed as such under Federal law are taxed at 4% of entire net income.

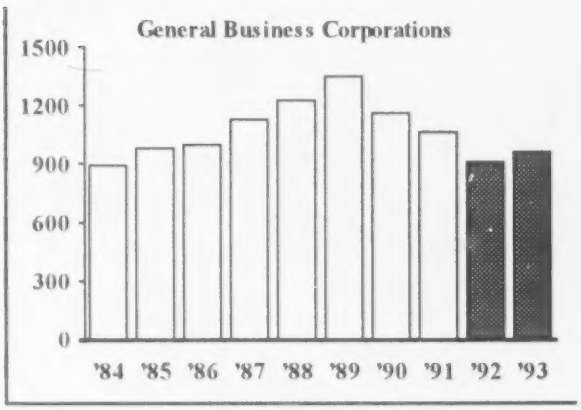
Deferred Pre-Dissolution Payment

Chapter 367, P.L. 1973, approved in 1974, eliminates the requirement for a certificate obtained in case of merger or consolidation involving a domestic or foreign corporation qualified to transact business in New Jersey. It also provides alternatives to actual payment of taxes, or payment on account of such taxes by providing in lieu thereof, for a written undertaking to be given by a domestic corporation, or a foreign corporation authorized to transact business in New Jersey, to pay all taxes when payable on behalf of a corporation which otherwise would have to pay all taxes prior to taking certain corporate actions.

Allocation Factor

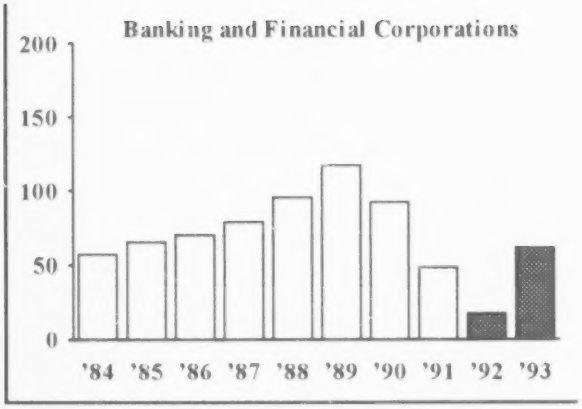
If the taxpayer had a regular place of business outside New Jersey, its tax liability is measured by net income allocated to New Jersey, according to a three-fraction formula based on an average of property, sales and payroll. The factor is computed by adding the percentage of the property, sales receipts and payroll fractions and dividing the total by three.

Corporation Business Tax Collections
(In Millions)



Fiscal Year	Collections
1984	$892,992,205
1985	980,324,154
1986	996,135,078
1987	1,129,229,561
1988	1,227,591,049
1989	1,350,581,694[1]
1990	1,162,835,737
1991	1,063,089,390
1992	**909,618,920**
1993	**960,513,275**

[1] Includes tax receipts from windfall profits court decision.



Fiscal Year	Collections
1984	$57,096,947
1985	65,248,556
1986	70,270,029
1987	78,938,838
1988	95,328,007
1989	117,155,793
1990	92,089,805
1991	48,200,249
1992	**17,411,936**
1993	**61,375,391**

Corporation Income Tax

Description
Corporation Income Tax applies to corporations deriving income from sources within the State which are not subject to the tax imposed under the Corporation Business Tax Act.

Rate
The tax rate is 7¼% of entire net income or such portion as is allocable to New Jersey.

Disposition of Revenues
Revenues are deposited in the State Treasury for general State use.

Financial Business Tax

Description
The Financial Business Tax applies to any partnership, limited partnership, limited partnership association or any other unincorporated association or individual doing a financial business.

Exempt from the tax are: corporate financial businesses; national banks; production credit associations; stock and mutual insurance companies; security dealers or brokers, investment companies or bankers not employing monied capital coming into competition with the business of national banks; credit unions; savings banks, savings and loan associations and building and loan associations; pawnbrokers; state banks and trust companies; financial business corporations; and real estate investment trusts.

Rate
The tax is based upon net worth allocable to New Jersey at a rate of 1½% for the privilege of doing financial business in New Jersey. The minimum tax is $25.

Disposition of Revenues
Revenues are distributed 25% to counties, 25% to municipalities and 50% to the State.

Gross Income Tax

Description

This graduated tax is levied on gross income earned or received after June 30, 1976, by New Jersey resident and non-resident individuals, estates and trusts.

Rate

Filing Status: Married, filing joint return
Head of Household
Qualifying Widow(er)

*Taxable Income**			*Tax Rate*
Not over		$20,000	2%
$20,001	–	$50,000	$400 plus 2.5% of excess over $20,000
$50,001	–	$70,000	$1,150 plus 3.5% of excess over $50,000
$70,001	–	$80,000	$1,850 plus 5% of excess over $70,000
$80,001	–	$150,000	$2,350 plus 6.5% of excess over $80,000
Over		$150,000	$6,900 plus 7% of excess over $150,000

Filing Status: Single
Married, filing separate Return

Not over		$20,000	2%
$20,001	–	$35,000	$400 plus 2.5% of excess over $20,000
$35,001	–	$40,000	$775 plus 5% of excess over $35,000
$40,001	–	$75,000	$1,025 plus 6.5% of excess over $40,000
Over		$75,000	$3,300 plus 7% of excess over $75,000

*Filers with incomes of $3,000 or less for the entire year ($1,500 or less for married persons filing separately) pay no tax.

Exemptions:

- Taxpayer, $1,000.
- Taxpayer's spouse who does not file separately, $1,000.
- Taxpayer 65 years old or more, additional $1,000; same for spouse age 65 or older who does not file separately.
- Blind or totally disabled taxpayer, additional $1,000; same for blind or totally disabled spouse who does not file separately.
- Taxpayer's dependent, $1,500.
- Taxpayer's dependent under age 22 and attending college full time, additional $1,000.

Deductions

- Payments of alimony or for separate maintenance are deductible by the payer if reported as income by the payee.
- Unreimbursed medical expenses in excess of 2% of gross income.

Credits

- Amounts withheld by an employer and payments of estimated tax.
- Payments of income or wage tax imposed by another state (or political subdivision) or by the District of Columbia, with respect to income subject to tax under this Act. This shall not exceed the proportion of tax otherwise due that the amount of the taxpayer's income bears to the taxpayer's entire New Jersey income.

Withholding Requirement

Employers are required to withhold the tax and remit withholdings monthly; if withholdings are expected to be $18,000 or more for a semi-annual period, withholdings are remitted semi-monthly. (C. 43, P.L. 1978 permits quarterly filings in certain cases.)

Disposition of Revenues

Revenues are deposited in the "Property Tax Relief Fund" to be used for the purpose of reducing or offsetting property taxes.

History

The Gross Income Tax was enacted July 8, 1976, retroactive to July 1, 1976 (C. 47, P.L. 1976).

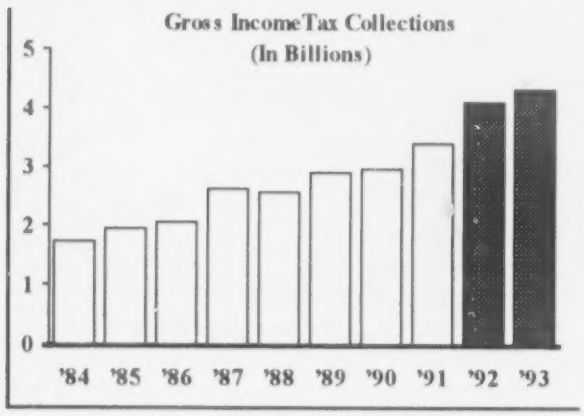
Pension income for those eligible for Social Security by reason of age (62 years or over) or disability is exempt as follows: First $10,000 for a married couple filing jointly; $5,000 for a married person filing separately; and $7,500 for a single taxpayer (C. 40, P.L. 1977). C. 273, P.L. 1977 extended the exclusion allowed for pensions to other types of retirement income. The exclusion applies to taxpayers who are 62 years of age or older and whose earned income is not more than $3,000. An additional exclusion was provided for taxpayers age 62 or older who are not covered by either Social Security or Railroad Retirement benefits.

C. 229, P.L. 1982 increased the rate from 2½% to 3½% on amounts in excess of $50,000 effective January 1, 1983.

C. 304, P.L. 1985 allowed residents a deduction from taxable income for property taxes paid on the taxpayer's homestead, effective for taxes paid after 1984.

C. 219, P.L. 1989 exempted pension and annuity income of nonresidents from the Gross Income Tax.

C. 61, P.L. 1990, effective January 1, 1991, amended the Gross Income Tax Act to include new graduated rates (from 2% to 7%) and two new filing statuses (head of household and surviving spouse). The legislation also increased the amount of the exemption for dependents from $1,000 to $1,500. In addition to these amendments, the legislation instituted a new homestead rebate program and repealed the residential property tax deduction and credit and tenant credit. The legislation extended to heads of household and surviving spouses the exclusion of up to $7,500 of pension and annuity income. These changes took effect in 1990. The new tax rates listed above became effective January 1, 1991 (C. 61, P.L. 1990).



Fiscal Year	Collections
1984	$1,732,250,461
1985	1,935,490,953
1986	2,052,592,417
1987	2,607,617,501
1988	2,564,305,127
1989	2,902,892,244
1990	2,957,634,330
1991	3,391,026,222[1]
1992	**4,101,895,000**
1993	**4,323,936,700**

[1] Rates increased to 2%–7% effective January 1, 1991.

Homestead Rebate Program

Chapter 61, P.L. 1990 created a new Homestead Property Tax Rebate program to provide rebates for both homeowners and tenants. The new program replaced certain other direct property tax relief programs: (1) the original Homestead Rebate program (C. 72, P.L. 1976) which provided rebates to homeowners; (2) the residential property tax deduction and credit provided to both homeowners and tenants on their income tax returns under C. 304, P.L. 1985; and (3) the tenant credit program (C. 47, P.L. 1976, as amended).

The application for the new Homestead Property Tax Rebate was combined with the resident income tax return beginning with the tax return for 1990, and benefits were linked to income level and amount of property tax paid. Under the new program rebates ranged from $100 to $500 for homeowners, and $35 to $500 for tenants, depending on the applicant's filing status, gross income, and the amount of property tax paid, either directly or through rent. Those with incomes over $100,000 were not eligible for a rebate.

The State Budgets adopted by the Legislature in 1992 and 1993 limited the amount of the Homestead Rebate paid to some taxpayers. Under the budget restrictions, only taxpayers who were 65 years old, blind or disabled were eligible to receive rebates of $100 to $500 (homeowners) or $35 to $500 (tenants), provided that their gross income does not exceed $100,000. For other taxpayers, rebates were limited to those with a gross income of $40,000 or less, with a standard rebate amount of $90 for homeowners and $30 for tenants. Those with gross incomes over $40,000 were no longer eligible for a rebate.

In November 1992 the New Jersey Tax Court ruled that anyone who resides in a dwelling which does not pay local property tax is not entitled to a Homestead Property Tax Rebate. This includes tenants living in subsidized housing or other dwellings owned by the State, County, Municipal or Federal government; students living in on-campus apartments at State colleges and universities; and tenants living in dwellings owned by religious, charitable or other nonprofit organizations, (including on-campus apartments at private nonprofit colleges and universities), if the property is exempt from local property taxes. Permanently and totally disabled veterans and their surviving spouses who do not pay property taxes are also ineligible for rebates.

Insurance Premiums Tax

Description
The Insurance Premiums Tax applies to premiums collected on insurance risks by every insurance company transacting business in New Jersey. The tax base is gross contract premiums less specified deductions. Annuity considerations and reinsurance premiums are not taxed.

Rate
With a few exceptions, the tax rate is 2% of the premiums collected on insurance risks in this State. Major exceptions include group accident and health insurance premiums (1%); ocean marine risks (5% of three-year average of underwriting profits); workers' compensation premiums (2.25%). If, for any insurance company, the ratio of New Jersey business to total business is greater than 12.5%, the tax is imposed on only 12.5% of that company's total premiums. Another .05% is imposed on group accident and health premiums and another .1% on all other insurance premiums, the revenues being dedicated to the Department of Insurance.

In 1991 the Life and Health Guaranty Association was formed, supported by assessments of up to 2% each year on defined life insurance, annuity, and health insurance accounts. Each member insurer may offset some portion of its assessment against its insurance premium tax liability.

Disposition of Revenues
The tax is prepaid based on the previous year's premiums, with payments due March 1 and June 1. Revenues, with the exception of some domestic revenues, are deposited in the State Treasury for general State use.

Municipalities and counties continue to receive payments to replace the revenue from the repealed insurance franchise tax on domestic insurance corporations. The State Treasurer pays an annual amount to each county and municipality in which the principal office of a domestic insurance company is located. The payments are made so long as the principal office of a domestic insurance company remains at the location established on January 1, 1981.

Landfill Closure And Contingency Tax

Description
This tax is levied upon the owner or operator of every sanitary landfill facility located in New Jersey on all solid waste accepted for disposal on or after January 1, 1982. In addition, the owner or operator must make a monthly payment of $1.00 per ton or $0.30 per cubic yard for the host community benefit surcharge for all solid waste accepted for disposal.

Rate
The tax rate in 1993 is $0.50 per ton or $0.15 per cubic yard on all solid waste accepted for disposal. The tax rate for solid waste in liquid form is $0.002 per gallon.

Disposition of Revenues
All tax revenues are credited to the Sanitary Landfill Facility Contingency Fund, administered by the New Jersey Department of Environmental Protection, established to insure the proper closure and operation of sanitary landfill facilities in this state.

Litter Control Tax

Description
The Litter Control Tax is imposed on all gross receipts from sales of litter-generating products sold within or into New Jersey by each person engaged in business in the State as a manufacturer, wholesaler, distributor or retailer of such products. Any retailer with less than $250,000 in annual retail sales of litter-generating products is exempt from this tax.

Litter-generating products include beer, cigarettes, cleaning agents and toiletries, distilled spirits, food, glass containers, metal containers, groceries, tires, newsprint and magazine paper stock, nondrug drugstore sundry products, paper products, empty containers, soft drinks, and wine.

Rate
Manufacturers, wholesalers and distributors of litter-generating products pay a tax of $^{3}/_{100}$ of 1% (.03%) on all gross receipts from wholesale sales of such products in New Jersey. Retailers are taxed at the rate of $^{2.25}/_{100}$ of 1% (.0225%) on all gross receipts from retail sales of litter-generating products.

Disposition of Revenues
Revenues are deposited in the Clean Communities Account Fund.

Local Property Tax

Description
An *ad valorem* tax—The local property tax is measured by property values and is apportioned among taxpayers according to the assessed value of taxable property owned by each taxpayer. The tax applies to real estate and tangible personal property of telephone, telegraph and messenger systems companies.

A *local tax*—The property tax is a local tax assessed and collected by municipalities for the support of municipal and county governments and local school districts. No part of it is used for support of State government.

Amount of tax (a residual tax)—The amount of local property tax is determined each year, in each municipality, to supply whatever revenue is required to meet budgeted expenditures not covered by monies available from all other sources. School districts and counties notify municipalities of their property tax requirements. Municipalities add their own requirements and levy taxes to raise the entire amount. As a residual local tax, the total property tax is determined by local budgets and not by property valuations or tax rates.

Property assessment (the tax base)—All taxable property is assessed (valued for taxation) by local assessors in each municipality. Assessments are expressed in terms of "taxable value," except for qualified farm land, which is specially valued.

Rate
The local property tax rate is determined each year in each municipality by relating the total amount of tax levy to the total of all assessed valuations taxable. Expressed in $1 per $100 of taxable assessed value, the tax rate is a multiplier for use in determining the amount of tax levied upon each property. See Appendix A for the 1992 general and effective property tax rates in each municipality.

Disposition of Revenues
This tax is assessed and collected locally by the taxing districts for support of county and municipal governments and local school district purposes.

History
It may be said that the property tax originated in 1670 with a levy of one half penny per acre of land to support the central government. Through the middle of the 19th century property taxes were levied upon real estate and upon certain personal property at arbitrary rates within certain limits called "certainties." In 1851 the concepts of a general property tax and uniform assessments according to actual value were developed (Public Laws 1851, p. 273).

For almost a century following the 1851 legislation, a continuing effort was made to accomplish uniform taxation under a general property tax. In 1875 a constitutional amendment provided that "property shall be assessed for taxes under general laws and by uniform rules according to its value" (Article IV, Section VII, Paragraph 12). Courts held that the 1875 amendment permitted classification of property for tax purposes and also exemption of certain classes from taxation, or the substitution of other kinds of tax "in lieu." Thus began a long period of erosion of the "general property tax" concept. In 1884 a State Board of Assessors was created and given responsibility for assessment of railroad and canal property, thus setting the pattern for State assessment of certain classes of property.

Intangible personal property was eliminated from the "general property tax base" in 1945 (replaced with a corporation net worth tax). Such elimination shifted the emphasis for tax reform to tangible personal property.

The New Jersey State Constitution adopted in 1947 provided that "property shall be assessed for taxation under general law and by uniform rules. All real property assessed and taxed locally or by the State for allotment and payment to taxing districts shall be assessed according to the same standard of value, except as otherwise permitted herein, and such property shall be taxed at the general tax rate of the taxing district in which the property is situated, for the use of such taxing district" (Article VIII, Section I).

This Article was interpreted to preclude any classification of real estate but to leave the door open for classified taxes upon personal property. In 1963 the Constitution was amended to permit assessment of farm property according to its value for agricultural use only. Chapter 51, Laws of 1960 (effective for tax year 1965) provided for such classification and also provided other significant modifications.

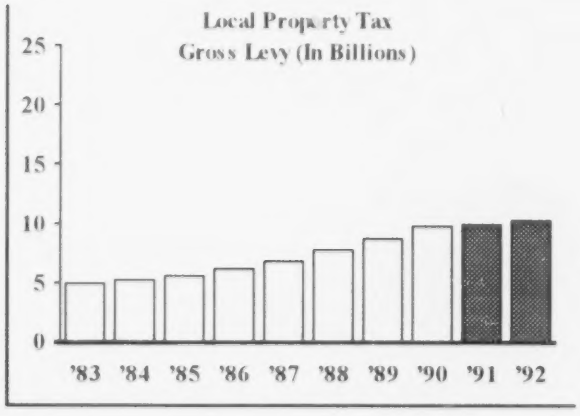
Personal property provisions of Chapter 51, Laws of 1960 were replaced by Chapter 136, Laws of 1966. For taxes

payable in 1968 and thereafter, personal property used in business (other than the businesses of local exchange telephone, telegraph and messenger system companies and other public utilities) is subject to the Business Personal Property Tax instead of the local tax. Non-business personal property is no longer subject to any property tax and inventories of all businesses are excluded from property taxation.

The 1966 law also provided for replacement of local personal property tax revenues from four tax sources: (1) Retail Gross Receipts Tax, (2) Corporation Business (Net Income) Tax, (3) Business Personal Property Tax and (4) Unincorporated Business Tax. This revenue replacement program was terminated (C. 3, P.L. 1977). Legislation was passed providing for an annual appropriation of not less than $158.7 million.

The decision in *Switz v. Middletown Township, et al.*, 23 N.J. 580 (1957) required that all taxable property be assessed at "true value" (100% assessment). This was the beginning of a series of New Jersey court decisions which have been a major factor in development of uniform real estate tax assessment.

A long period of legislative history has developed numerous exemptions and various special property tax treatments. These are found principally in R.S. 54:4-3.3 and in R.S. 54:4-3.6. Generally exempt are government-owned property, and property of religious, educational, charitable and various types of non-profit organizations. In addition, qualified veterans and senior citizens are permitted tax deductions of $50 and $250, respectively.



Fiscal Year	Gross Tax Levy
1983	$4,915,835,156
1984	5,241,512,017
1985	5,582,390,989
1986	6,159,434,925
1987	6,829,752,376
1988	7,755,666,442
1989	8,726,832,862
1990	9,782,223,329
1991	9,921,553,312
1992	**10,324,378,978**

Motor Fuels Tax

Description

A tax on motor fuels is applied to sales of gasoline, diesel fuel or liquefied petroleum gas and compressed natural gas used in motor vehicles on public highways.

Rate

The general motor fuels tax rate is $0.105 per gallon; $0.0525 per gallon is imposed on petroleum gas and liquefied or compressed natural gas sold or used to propel motor vehicles on public highways.

The diesel fuels tax rate is $0.135 per gallon, of which $0.03 per gallon is refundable for fuel used in passenger automobiles and motor vehicles of less than 5,000 pounds gross weight (C. 73, P.L. 1984, effective September 1, 1985).

No tax is due from motor fuel sales to the United States or New Jersey governments; between licensed distributors; between licensed gasoline jobbers; and for export.

Disposition of Revenues

Revenues are deposited in the State Treasury. An appropriated amount pursuant to C.460, P.L. 1988 and C.73, P.L. 1984 is annually apportioned to the Transportation Trust Fund for maintenance of the State's transportation system.

Petroleum Products Gross Receipts Tax

Description
The Petroleum Products Gross Receipts Tax is imposed on all companies engaged in the refining and/or distributing of petroleum products for distribution in this State. It applies to the first sale, not for export, of petroleum products within New Jersey.

Home heating oil (including #2, #4 and #6 heating oils), and propane gas and kerosene used for residential heating are exempt from tax. Also exempt from tax are receipts from sales of petroleum products used by marine vessels engaged in interstate or foreign commerce; receipts from sales of aviation fuels used by common carriers in interstate or foreign commerce other than burnout portion; receipts from sales of asphalt and polymer grade propylene used in the manufacture of polypropylene; receipts from sales to nonprofit entities qualifying for exemption under the Sales and Use Tax; and receipts from sales to the United States or the State of New Jersey.

Rate
The petroleum products tax is imposed at the rate of 2¾% on gross receipts from the first sale of petroleum products in New Jersey. This rate is converted to a cents-per-gallon basis and adjusted semi-annually to be at or above $0.04/gallon.

Disposition of Revenues
Revenues, after deductions for the cost of administering the tax by the State, are for local use. The tax is distributed to the municipalities, subject to the limitations imposed by the State budget.

Public Community Water System Tax

Description
The Public Community Water System Tax is levied upon the owner or operator of every public community water system in New Jersey based upon water delivered to consumers, not including water purchased for resale, on or after April 1, 1984.

Rate
The tax rate is $0.01 per 1,000 gallons of water delivered to a consumer.

Disposition of Revenues
Revenues are deposited in the Safe Drinking Water Fund administered by the New Jersey Department of Environmental Protection and used to ensure clean drinking water in New Jersey.

Public Utility Franchise Tax (Municipal Use)

Description
Public Utility Franchise Tax applies to all identified utility entities having lines or mains located in, on, or over any public thoroughfare. Utilities subject to taxation include telegraph, telephone and district messenger systems, water and sewerage companies.

The rate is either 2% or 5% of a proportion of the gross receipts of the taxpayer for the preceding calendar year. The proportion of gross receipts subject to tax is the ratio of the taxpayer's total length of lines or mains which are located in, on or over any street, highway or other public place to the whole length of lines or mains. Measurements of lengths of lines or mains exclude service connections.

Administration
Franchise tax is collected by the State for distribution to municipalities together with the gross receipts tax distribution. The tax levied against water and sewer companies is payable to the State in three installments as before, the tax levied against telecommunication providers is due and payable in full on the first day of April. The tax is payable by the State to the tax collectors in three installments: July 5, September 1, and December 1 of the tax year.

Rate
The rate is 2% for gross receipts of $50,000 or less and 5% for gross receipts exceeding $50,000.

Disposition of Revenues
Revenues, after deductions for the cost of administering the tax by the State, are for local use. The tax is distributed to the municipalities, subject to the limitations imposed by the State's budget.

Public Utility Gross Receipts Tax (Municipal Use)

Description
Public Utility Gross Receipts Tax is in addition to the Franchise Tax and is in lieu of the local taxation of certain properties of the following public utilities: street railway, traction, sewerage, and water corporations in New Jersey.

Administration
Public Utility Gross Receipts Tax is collected by the Sate for distribution to municipalities together with the Franchise Tax distribution. The tax is payable by the State to the tax collectors in three installments: July 5, September 1, and December 1 of the tax year.

Rate
7.5% applied to taxable gross receipts for the preceding calendar year.

Disposition of Revenues
Gross Receipts Tax is distributed to the municipalities, subject to the limitations imposed by the State's budget.

Public Utility Energy Unit Tax (Municipal Use)

Description
Public Utility Energy Unit Tax is a substitute for the Public Utility Franchise and Gross Receipts Taxes previously assessed on utilities engaged in the production and/or transmission of energy (therms of gas or kilowatt-hours of electricity).

Administration
Public Utility Energy Unit Tax is collected by the State for distribution to the municipalities along with the other distributable utility taxes. Public Utility Energy Unit Tax is due and payable in full on the first day of April. The tax is payable by the State to the tax collectors in three installments: July 5, September 1 and December 1 of the tax year.

Rate
The rates of taxation for each class and category of gas and electrical energy for each energy utility are established by the Board of Regulatory Commissioners by board order.

Disposition of Revenues
Public Utility Energy Unit Tax without the advances which occur as a result of acceleration of payment dates or from newly enacted credits and advance payments is distributed to the municipalities, subject to the limitations established in the State's budget and C. 184, P.L. 1991.

Public Utility Excise Tax (State Use)

Description
Public Utility Excise Tax is an additional tax on public utilities.

Rate (Calendar Year Basis)
0.625% —upon gross receipts subject to the franchise tax (0.25% for taxpayers with gross receipts not in excess of $50,000 annually);

0.9375% —upon gross receipts of all utilities except telephone and telegraph (0.5% for telephone and telegraph).

Disposition of Revenues
Revenues are deposited in the State Treasury for general State use.

Railroad Franchise Tax

Description
The Railroad Franchise Tax is levied upon railroads (or systems of railroads) operating within New Jersey. The tax base is that portion of the road's (or system's) net railway operating income of the preceding year allocated to New Jersey. The allocating factor is the ratio of the number of miles of all track in this State to the total number of miles of all track over which the railroad or system operates.

Rate
Railroad Franchise Tax is assessed at the rate of 10% upon the net railway operating income of the preceding year allocated to New Jersey. The minimum is $100 for taxpayers having total railway operating revenues in the preceding year of less than $1 million and $4,000 to taxpayers with operating revenues in excess of $1 million in the preceding year.

Disposition of Revenues
Revenues are deposited in the State Treasury for general State use.

Railroad Property Tax

Description
Railroad Tax Law of 1948 as amended distinguishes three classes of property:

Class I: "Main stem" roadbed—that not exceeding 100 feet in width.

Class II: All other real estate *used for railroad purposes* including roadbed other than "main stem" (Class I), tracks, buildings, water tanks, riparian rights, docks, wharves, piers. Excluded is "tangible personal property": rolling stock, cars, locomotives, ferryboats, all machinery, tools. Facilities used in passenger service are also excluded, being defined as Class III property.

Class III: Facilities used in passenger service: land, stations, terminals, roadbeds, tracks, appurtenances, ballast and all structures used in connection with rendering passenger service, including signal systems, power systems, equipment storage, repair and service facilities (N.J.S.A. 54:20A-2).

The Railroad Property Tax is a State tax on Class II property.

Exemptions
Main stem (Class I), tangible personal property and facilities used in passenger service (Class III) are exempt from tax.

Rate
$4.75 for each $100 of true value of Class II railroad property.

Disposition of Revenues
Revenues are deposited in the State Treasury for general State use. However, under legislation adopted in 1966, the municipalities where railroad property is located are guaranteed the return of certain replacement revenues. No State aid has been paid since calendar year 1982, except for 1984–1993 payments to those municipalities in which Class II railroad property owned by New Jersey Transit Corporation is located (P.L. 1984, C. 58).

Realty Transfer Fee

Description
The realty transfer fee is imposed upon the recording of deeds evidencing transfers of title to real property in the State of New Jersey. The realty transfer fee is calculated based on the amount of consideration paid.

The realty transfer fee does not apply to the following transfers: consideration of less than $100; by or to any government; made solely to provide or release debt security; which confirm or correct a deed previously recorded; on a sale for delinquent taxes; on partition; by a receiver, trustee in bankruptcy or liquidation, or assignee for the benefit of creditors; eligible to be recorded as "ancient deeds"; acknowledged or proved on or before July 3, 1968; between husband and wife or parent and child; conveying a cemetery plot; in specific performance of a final judgment; releasing a right of reversion; transfers on which tax was previously paid; to effect distribution of an estate; or as a result of a divorce decree.

Two types of transfers of real property are exempt from the State portion of the realty transfer fee ($1.25 of the $1.75 for each $500 of consideration):

(1) The sale of one or two-family residential premises which are owned and occupied by a senior citizen (62 years of age or older), blind person, or disabled person who is the seller in such transaction shall be exempt from payment of $1.25 for each $500 of consideration of the fee imposed.

(2) The sale of low and moderate income housing as defined by Chapter 225, P.L. 185 shall be exempt from payment of $1.25 for each $500 of consideration of the fee imposed.

Transfers of title to real property upon which there is new construction are exempt from payment of $1 for each $500 not in excess of $150,000. "New Construction" means any conveyance or transfer of property upon which there is an entirely new improvement not previously occupied or used for any purpose.

Rate
The realty transfer fee is imposed upon the seller at the rate of $1.75 for each $500 of consideration; an additional fee of $0.75 is imposed for each $500 of consideration in excess of $150,000.

Disposition of Revenues
The proceeds of the realty transfer fees collected by the county recording officer shall be accounted for and

remitted to the county treasurer. An amount equal to 28.6% of the proceeds from the first $1.75 for each $500 of consideration recited in the deed shall be retained by the county treasurer for use of the county and the balance shall be paid to the State Treasurer. The amount retained by the county treasurer for the use of the county equals $0.50 for each $500 of consideration. The rest of the tax revenues, $1.25 for each $500 of consideration, are paid to the State Treasurer for the use of the State.

All amounts paid to the State Treasurer in payment of the additional fee of $0.75 for each $500 of consideration recited in the deed in excess of $150,000 shall be credited to the Neighborhood Preservation Nonlapsing Revolving Fund. In fiscal year 1992, $12,684,254 was paid to the State Treasurer and credited to the Neighborhood Preservation Nonlapsing Revolving Fund; in fiscal year 1993, $14,410,669.

Resource Recovery Investment Tax

Description
The Resource Recovery Investment Tax is levied upon the owners and operators of every sanitary landfill facility located in New Jersey on all solid waste accepted for disposal on or after May 1, 1985. The tax expires on January 1, 1996.

Rate
The tax rate in 1993 is $4.00 per ton or $1.20 per cubic yard on all solid waste accepted for disposal. The tax rate for solid waste in liquid form is $0.004 per gallon. However, the law allows each county, based on their requirements and following specific guidelines, to annually adjust the tax rate to a rate not to exceed $10.00 per ton of solids and $0.04 per gallon of liquids on January 1 of any year the tax is imposed.

Disposition of Revenues
The revenues from the Resource Recovery Investment Tax are deposited in the Resource Recovery Investment Tax Fund established in the New Jersey Department of the Treasury and distributed to each county's District Resource Recovery Investment Tax Fund. Counties may use fund revenues to reduce the rates of resource recovery facilities; build sanitary landfills to service resource recovery facilities; build and operate sanitary landfills if resource recovery is not feasible; and finance closure costs of a sanitary landfill.

Sales And Use Tax

Description
Sales and Use Tax applies to receipts from retail sale, rental or use of tangible personal property, retail sale of producing, fabricating, processing, installing, maintaining, repairing, storing and servicing tangible personal property, certain advertising services, sales of restaurant meals, rental of hotel and motel rooms and certain admission charges.

A compensating use tax is also imposed on retail purchases of tangible personal property made outside the State for use in New Jersey on which a sales tax would be due but has not been paid.

All persons required to collect the tax must file an Application for Registration. Each registrant's authority to collect the sales tax is certified by a Certificate of Authority, issued by the Division, which must be prominently displayed at each place of business to which it applies.

Major exemptions include: advertising services for newspapers and magazines; casual sales except motor vehicles and registered boats; clothing, except furs; farm supplies and equipment; flags of New Jersey and the United States; food for off-premises consumption; food sold in school cafeterias; prescription drugs and other medical aids; motor fuels; periodicals and textbooks; professional and personal services; real estate sales; tangible personal property used in research and development; transportation of persons or property; public utilities; production machinery and equipment; non-prescription drugs.

Rate
The rate of tax is 6% on taxable sales.

Disposition of Revenues
Revenues are deposited in the State Treasury for general State use.

History
Sales and Use Tax became effective July 1, 1966. Rate of tax was set at 3% (C. 30, P.L. 1966).

Additional exemptions from the tax were provided by C. 25, P.L. 1967. Chapter 7, P.L. 1970 increased the tax rate to 5%, effective March 1, 1970. This Act and C. 25, P.L. 1970 contained certain transitional provisions relating to this increased rate.

Effective July 1, 1972, sales of alcoholic beverages, except draught beer sold by the barrel, to any retail licensee were made subject to Sales and Use Tax (C. 27, P.L.

1972). The 1972 amendment repealed taxation of sales of packaged liquor by retailer to consumer. The tax applied at the wholesale-retail level. Its base was the minimum consumer retail price as filed with the Board of Alcoholic Beverage Control.

A new tax imposed on wholesale receipts of alcoholic beverage licensees at 6.5% of the wholesale price superseded the prior tax imposed under the sales tax law at 5% of the minimum consumer resale price (C. 62, P.L. 1980). (See *Alcoholic Beverage Wholesale Sales Tax*, this section.)

Production machinery and equipment is exempt from sales tax effective January 1, 1978.

Sale, rental or lease of commercial motor vehicles weighing more than 18,000 pounds is exempt from sales tax effective January 1, 1978 (C. 217, P.L. 1977).

The Division took over administration of the Atlantic City Luxury Sales Tax (C. 60, P.L. 1980).

Recycling equipment is exempt from sales tax effective January 12, 1982 (C. 546, P.L. 1981).

The sales and use tax rate increased to 6%, effective January 3, 1983 (C. 227, P.L. 1982).

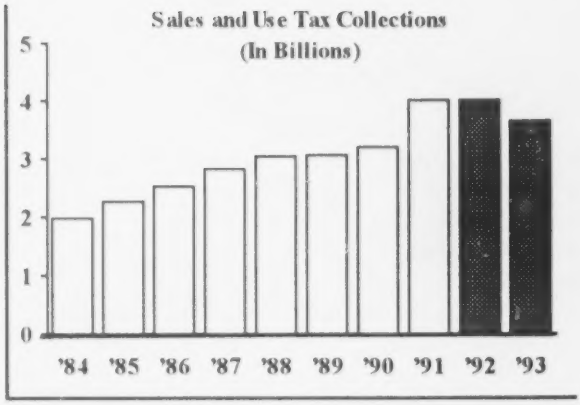
Non-prescription drugs, household paper products and soaps and detergents are exempt from sales tax, effective July 1, 1983.

The sales and use tax rate increased to 7%, effective July 1, 1990. Several major exempt items and services became taxable July 1, 1990, e.g., cigarettes, alcoholic beverages, household soap and paper products, janitorial services, telecommunications services, and sales, rentals, leasing, parts and services for certain commercial motor vehicles (C. 40, P.L. 1990).

Household paper products became exempt September 1, 1991 (C. 209, P.L. 1991).

Chapter 115, P.L. 1990, approved November 19, 1990 reinstated, with modifications, the exemption for certain sales, rentals, leases, and repair and replacement parts for commercial motor vehicles, retroactive to July 1, 1990.

The sales and use tax rate decreased to 6%, effective July 1, 1992 (C. 11, P.L. 1992).



Fiscal Year	Collections
1984	$1,974,445,427
1985	2,260,827,342
1986	2,529,091,374
1987	2,822,234,295
1988	3,041,633,453
1989	3,066,770,144
1990	3,202,569,956
1991	4,013,147,198[1]
1992	**4,009,960,467**
1993	**3,650,157,158**[2]

[1] Rate increased to 7% on July 1, 1990.
[2] Rate decreased to 6% on July 1, 1992.

Urban Enterprise Zones

The New Jersey Urban Enterprise Zones Act (C. 303, P.L. 1983), approved August 15, 1983, provides tax advantages and other business tools to enhance development efforts in the State's economically distressed urban centers. Under the program qualified municipalities apply to the Urban Enterprise Zone Authority to have a portion of the municipality designated as an Urban Enterprise Zone. Ten zones (the maximum number provided under the statute) have been established: Bridgeton, Camden, Elizabeth, Jersey City, Kearny, Millville/Vineland, Newark, Orange, Plainfield and Trenton. Businesses must apply to the local municipal zone coordinator to be certified as a "qualified business" before they can take advantage of these benefits.

The benefits conferred on qualified businesses that choose to operate within a designated Urban Enterprise Zone include:

- Corporation Business Tax credits for hiring new employees;
- Sales and Use Tax exemption for purchases of building materials, most tangible personal property and most services for business use;
- Unemployment tax rebates;
- Authorization to impose State sales tax at 50% of regular rate (3%);
- Skills training programs to meet employment demands;
- Priority for funding by Local Development Financing Fund;
- Possible exemptions from certain State and municipal regulations;
- Possible eligibility for reduced utility rates;
- Possible eligibility for energy assistance funds from the Department of Commerce and Economic Development.

Sales Tax Benefits
A vendor within an Urban Enterprise Zone wishing to collect sales tax at the reduced rate must first be certified as a "qualified business," and then apply to the Division of Taxation for authority to collect tax at the reduced rate. No business may collect sales tax at the reduced rate without the proper certification. The certification is valid for one year. Recertification is automatic unless the business changes.

A qualified business may collect sales tax at the reduced rate only on a face-to-face retail sale of tangible property to a buyer who comes to its business location within the Zone. Thus, telephone, mail order or catalog sales do not qualify for the reduced rate. Sales of certain items are not eligible for the reduced sales tax rate. Tax must be collected at the full regular rate on sales of: restaurant meals and prepared food, cigarettes, alcoholic beverages, and the sale, rental or lease of motor vehicles. The reduced rate does not apply to sales of any services by a qualified business.

A qualified business may purchase items of tangible personal property (office and business equipment, supplies, furnishings, fixtures, etc.) and taxable services (construction work, repair and installation services, etc.) which are for the exclusive use of the business at its location in the Zone without paying sales tax. Building materials used at the Zone location are also exempt from tax, whether purchased by the qualified business or the contractor. The exemption from sales tax does not apply to purchases or repairs of motor vehicles, or purchases of telecommunications services.

Savings Institution Tax

Description
The Savings Institution Tax is applicable to every savings institution doing a financial business in New Jersey. The Act defines Savings Institution as any state or Federally chartered building and loan association, savings and loan association or savings bank.

Excluded from tax are:
(1) 100% of dividends of an owned and qualified subsidiary; and

(2) 50% of other dividends included in taxable income for Federal tax purposes.

Rate
The tax rate is 3% of net income. The tax is based upon net income as of the close of the preceding tax year, but is not less than $50 for savings institutions with assets under $1 million nor less than $250 for savings institutions with assets of $1 million or more.

In addition to the tax due, for accounting periods ending April, 1980 and thereafter, an 80% prepayment of tax for the following year must also be made. Credit against the current year's tax liability for such prepayment is allowed.

Disposition of Revenues
Revenues are deposited in the State Treasury for general State use.

Solid Waste Importation Tax

Description
The Solid Waste Importation Tax is levied upon the owner or operator of every sanitary landfill facility located in New Jersey which accepts solid waste for disposal from outside of the solid waste management district on or after May 1, 1985. The Solid Waste Importation Tax expires on January 1, 1996.

Rate
The tax rate in 1993 is $14.00 per ton or $4.20 per cubic yard on all solid waste accepted for disposal. The tax rate for solid waste in liquid form is $0.004 per gallon.

Disposition of Revenues
The revenues from the Solid Waste Importation Tax are deposited in the Resource Recovery Investment Tax Fund

in the New Jersey Department of Treasury and distributed to the District Resource Recovery Investment Tax Fund for the county wherein the sanitary landfill receiving out-of-district waste is located. Counties may use fund revenues to reduce the rates of resource recovery facilities; build sanitary landfills to service resource recovery facilities; build and operate sanitary landfills if resource recovery is not feasible; and finance closure costs of a sanitary landfill.

Solid Waste Recycling Tax

Description

The owner or operator of a solid waste facility in New Jersey must pay the Solid Waste Recycling Tax on all solid waste accepted for disposal or transfer at the facility on or after July 1, 1987. Resource recovery facilities and solid waste transfer station facilities are not subject to the tax. The Solid Waste Recycling Tax terminates on December 31, 1996.

Rate

The tax rate in 1993 is $1.50 per ton or $0.45 per cubic yard on all solid waste accepted for disposal or transfer. The tax rate for solid waste in liquid form is $0.00225 per gallon.

Disposition of Revenues

The proceeds constitute a fund, the State Recycling Fund, administered by the New Jersey Department of Environmental Protection, to provide for a comprehensive recycling plan and program in this State.

Solid Waste Services Tax

Description

The Solid Waste Services Tax is levied upon the owner or operator of every sanitary landfill facility located in New Jersey on all solid waste accepted for disposal on or after May 1, 1985.

Rate

The tax rate in 1993 is $0.90 per ton or $0.27 per cubic yard on all solid waste accepted for disposal. The tax rate for solid waste in liquid form is $0.002 per gallon. On the first of January annually the tax rate increases on solids by $0.05 per ton.

Disposition of Revenues

The revenue collected from the Solid Waste Services Tax is deposited in the Solid Waste Services Tax Fund administered by the New Jersey Department of Environmental Protection. Monies in the fund are allocated to the counties based on the amount of waste generated and used for implementing county solid waste management plans.

Spill Compensation And Control Tax

Description

The Spill Compensation and Control Tax is imposed on owners or operators of one or more refineries, storage or transfer terminals, pipelines, deep water ports or drilling platforms used to refine, store, produce, handle, transfer, process or transport hazardous substances, including petroleum products, to insure compensation for cleanup costs and damages due to discharge of hazardous substances.

The tax is also imposed on owners of a hazardous substance which is transferred to a public storage terminal, and to any transferor of a previously untaxed non-petroleum hazardous substance from a major state facility to one which is a nonmajor facility.

Rate

1. Nonpetroleum hazardous substances—greater of $0.015 per barrel or 1% of fair market value plus $0.0025 per barrel;
2. Petroleum products—$0.015 per barrel; and
3. Precious metals—$0.015 per barrel.

The tax for an individual taxpayer who paid the tax in 1986 is capped at a certain percentage of the taxpayer's 1986 liability.

Disposition of Revenues

The proceeds constitute a fund (New Jersey Spill Compensation Fund) to insure compensation for cleanup costs and damage associated with the discharge of petroleum products and other hazardous substances.

Tobacco Products Wholesale Sales And Use Tax

Description
The Tobacco Products Wholesale Sales and Use Tax is imposed on the receipts from every sale of tobacco products, other than cigarettes, by a distributor or a wholesaler to a retail dealer or consumer.

Cigarettes are exempt from this tax.

Rate
The rate is 24% on the receipts from every sale of tobacco products by a distributor or wholesaler.

Disposition of Revenues
Revenues are deposited in the State Treasury for general State use.

Transfer Inheritance And Estate Taxes

Description
The transfer inheritance tax applies to the transfer of all personal property and New Jersey real property having an aggregate value of $500 or more in estates of resident decedents. In estates of non-resident decedents, the tax applies to real property and tangible personal property located in the State of New Jersey.

The Estate Tax is imposed in addition to the Transfer Inheritance Tax on estates of resident decedents where the state inheritance taxes paid are not sufficient to fully absorb the Federal Estate Tax credit allowable.

Rate
The Transfer Inheritance Tax rates depend on the amount received and the relationship between the decedent and the beneficiary. No tax is imposed on immediate family (direct ancestors or descendants— Class A) or spouses. Class C beneficiaries (sibling of decedent, spouse or widow/er of a child of decedent) are taxed at 11%–16%, with the first $25,000 exempt. Class D beneficiaries (all others) are taxed at 15%–16%, with no tax on bequests of less than $500. Charitable institutions are exempt from tax.

Estate tax rates are determined by Federal law, since the tax is designed to absorb the Federal credit available for state taxes paid. No tax is due on Federal taxable estates of less than $600,000. Estates over $600,000 are entitled to a deduction of $60,000; beyond these amounts, no tax is due on the first $40,000, effectively exempting estates of less than $700,000. Tax rates (equivalent to the Federal credit) start at 0.8% and progress to 16% for estates over $10.7 million.

Exemptions From Transfer Inheritance Tax
- All transfers having an aggregate value under $500;
- Life insurance proceeds paid to a named beneficiary;
- Charitable transfers for the use of any educational institution, church, hospital, orphan asylum, public library, etc.;
- Transfers for public purposes made to New Jersey or any political subdivision thereof;
- Federal civil service retirement benefits payable to a beneficiary other than the estate;
- Annuities payable to survivors of military retirees; and
- Qualified employment annuities paid to a surviving spouse.

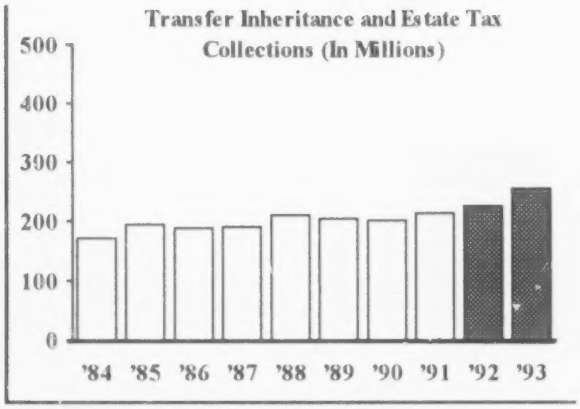
Disposition of Revenues
Revenues are deposited in the State Treasury for general State use.

History
New Jersey first imposed an inheritance tax in 1892 at a rate of 5% on property transferred from a decedent to a beneficiary.

In 1909, legislation was enacted which formed the basis of present Transfer Inheritance Tax (N.J.S.A. 54:33-1 *et seq.*).

In 1934, legislation was enacted which formed the basis of the Estate Tax (N.J.S.A. 54:38-1 *et seq.*). On June 30, 1992, the filing date for estate taxes for decedents dying after March 1, 1992 was shortened. The due date had been the later of 18 months after the date of death or 60 days after the Federal notification of Federal estate tax due. The new due date is 9 months after date of death (C. 39, P.L. 1992). Estate taxes are paid by the estate to the extent that inheritance taxes are below the Federal credit for State taxes.

On February 27, 1985 an amendment to the Transfer Inheritance Tax Act (C. 57, P.L. 1985) eliminated from taxation transfers from decedents to surviving spouses (retroactive to January 1, 1985) and to other Class A beneficiaries on a phased out basis through July 1, 1988. On July 1, 1988, other Class A beneficiaries became totally exempt from the tax. Class C beneficiaries were granted a $25,000 exemption effective on July 1, 1988.



Fiscal Year	Collections
1984	$171,362,876
1985	194,424,660
1986	188,633,527
1987	190,368,352
1988	209,958,420
1989	204,344,684
1990	200,954,216
1991	212,825,520
1992	**225,210,867**
1993	**255,455,559**

III | LEGISLATION AND COURT DECISIONS

LEGISLATION

Alcoholic Beverage Tax

P.L. 1992, c.302 —Certain Home-Made Alcoholic Beverages Exempt From Tax
(Approved November 7, 1991) Authorizes the Director of the Division of Alcoholic Beverage Control to issue special permits for the manufacture of wines and malt alcoholic beverages not exceeding 200 gallons a year for personal or household use or consumption to persons 21 years of age or more, within a home or other noncommercial premises. These persons are not be subject to Alcoholic Beverage Tax.

P.L. 1992, c.188—Increases and Establishes Various Fees to Fund Alcoholic Beverage Law Enforcement
(Approved December 16, 1992) Establishes and increases various fees collected by the Division of Alcoholic Beverage Control (Department of Law and Public Safety) to provide a more stable funding source for enforcement of the alcoholic beverage laws. All fees and penalties will be deposited in a dedicated fund to be used exclusively for the operation of the Alcoholic Beverage Control Enforcement agencies in the State. (Effective immediately, except for section 14 which became effective July 1, 1993.)

Business Personal Property Tax

P.L. 1993, c.174—Business Personal Property Tax Act Repealed
(Approved July 7, 1993) Repeals the "Business Personal Property Tax Act." (Effective immediately.)

Corporation Business Tax

P.L. 1993, c.170—Business Tax Credit Allowed for Certain Corporations
(Approved July 7, 1993) Allows Corporation Business Tax credit or property tax offset for certain investments that create new jobs in this State.

P.L. 1993, c.171—Manufacturing Equipment and Employment Incentive Tax Credit Created
(Approved July 7, 1993) Creates the Manufacturing Equipment and Employment Incentive Tax Credit Act.

P.L. 1993, c.172—Federal Modified Accelerated Depreciation Allowed
(Approved July 7, 1993) Permits corporations to use Federal modified accelerated depreciation for certain property under the Corporation Business Tax.

P.L. 1993, c.173—Reduced Corporation Tax with S Corporation Election
(Approved July 7, 1993) Provides reduced Corporation Business Tax for electing S corporations.

P.L. 1993, c.175—Research Expenses Provide Corporation Tax Credit
(Approved July 7, 1993) Provides Corporation Business Tax credit for qualified research expenses in New Jersey.

Gross Income Tax

P.L. 1991, c.287—Increases Checkoff Options for Children's Trust and Wildlife Fund
(Approved September 20, 1991) Increases value of Children's Trust Fund and the Nongame Wildlife tax refund checkoff options.

P.L. 1992, c.112—Creates Checkoff Option for Vietnam Veterans' Memorial Fund
(Approved September 29, 1992) Provides for a voluntary taxpayer contribution to support the Vietnam Veterans' Memorial Fund through the use of a checkoff on the New Jersey Gross Income Tax return. The contribution may be deducted from any refund due or remitted as a contribution. The checkoff is authorized only for tax years 1992 and 1993.

P.L. 1992, c.204—Qualified Investment Fund Expanded
(Approved December 24, 1992) Permits certain funds to invest in financial futures, options, forward contracts or other similar financial instruments and still continue as investors of tax-free income under the New Jersey Gross Income Tax Act. (Retroactive to January 1, 1992.)

P.L. 1993, c.108—Ride-Sharing Program Incentives
(Approved April 16, 1993) Provides employee tax incentives for participation in the ride-sharing program to be instituted under the "New Jersey Traffic Congestion and Air-Pollution Control Act" (P.L. 1992, c.32; c.27:26A-1, et seq.). (Effective immediately with income tax exclusions retroactive to January 1, 1993.)

P.L. 1993, c.143—Nonresidents and Gambling Winnings from New Jersey
(Approved June 18, 1993) Reaffirms that income received by nonresidents from lottery or wagering transactions in New Jersey, other than from the New Jersey State Lottery, is income earned, received or acquired from sources within this State, and subject to New Jersey Gross Income Tax. Some examples are winnings from. casino betting, slot machines, raffles and bingo games.

P.L. 1993, c.178—Nonresident Tax Computation
(Approved July 9, 1993) Changes the method by which nonresidents determine their New Jersey income tax. Nonresidents will compute tax as if they are residents, and then prorate that liability by the ratio their New Jersey source income bears to income from both inside and outside New Jersey. This bill is effective for returns covering the 1993 tax year.

Homestead Property Tax Rebate

P.L. 1992, c.40—State Budget Revises Homestead Rebate
(Approved June 30, 1992) Limited 1992 Homestead Property Tax Rebates of many New Jersey taxpayers. For taxpayers who were 65 years of age or older on December 31, 1991, or who claimed an exemption on their 1991 NJ-1040 (or 1991 NJ-1040-X) as "Blind or Disabled," the amount of the rebate is calculated in the same manner as 1990. The amount of the rebate varied from $100 to $500 for homeowners and $35 to $500 for tenants. For other taxpayers (both individual and joint filers) whose total 1991 "New Jersey Gross Income" (NJ-1040, Line 26c) was $40,000 or less, the amount of the rebate was $90 for homeowners and $30 for tenants. For all taxpayers who do not fall into the above categories, no rebate was issued.

Litter Control Tax

P.L. 1992, c.150—Litter Control Tax Extended
(Approved November 24, 1992) Retroactive to December 30, 1991, extends the expiration date of the tax on receipts from sales of litter-generating products imposed under P.L. 1985, c.533 to December 31, 1995.

Local Property Tax

P.L. 1991, c.225—Exemption for Public Housing Projects
(Approved July 29, 1991) Permits tax exemption for public housing projects.

P.L. 1991, c.283—County Taxation Revenue for Farmland Acquisition
(Approved September 18, 1991) Authorizes counties to raise taxation revenue for acquisition of farmland by certain counties.

P.L. 1991, c.303—Allows Return of Taxes for Certain Exempt Organizations
(Approved November 7, 1991) Permits municipalities to enact ordinances that would forgive or return, all taxes and any interest due, on real property that would have been exempt from local property tax, but which did not qualify for exemption because the property was acquired by a religious organization after the October 1 pretax year filing deadline.

P.L. 1991, c.363—County Tax Administrator Qualifications
(Approved January 9, 1992) Clarifies qualifications of county tax administrator.

P.L. 1991, c.389—Changes Definition of "Veteran" for Property Tax Deduction
(Approved January 16, 1992) Changes definition of "veteran" to include members of the American Merchant Marines during WWII.

P.L. 1991, c.390—Changes Definition of "Veteran" for Property Tax Deduction
(Approved January 16, 1992) Changes definition of "veteran" to extend the termination dates of World War II, the Korean and Vietnam conflicts to conform with these dates currently in Federal law and provides for the extension of eligibility for benefits to veterans of the Lebanon, Grenada and Panama peacekeeping missions along with Operation "Desert Shield/Desert Storm" in the Arabian peninsula and Persian Gulf area. The law also affects the eligibility for veterans' property tax deduction.

P.L. 1991, c.439—Permits Assessor Complaints on Omitted Property
(Approved January 18, 1992) Permits municipal tax assessors to file a complaint concerning certain property omitted from the tax assessment lists. Also requires the

county tax board to notify the tax collector when the tax assessor files a complaint. In addition, time periods are increased for notices of rollback taxes and tax board hearings on rollbacks.

P.L. 1991, c.441—Comprehensive Tax Abatement and Exemption Law
(Approved January 18, 1992) Consolidates the various five-year exemption and abatement statutes enacted under the State Constitution. Requires that each of the 567 municipalities adopting an ordinance under Chapter 441 report the total amount of taxes exempted and the total amount abated within the municipality for six kinds of improvements or construction. Reports must be made to both the Division of Local Government Services (Department of Community Affairs) and the Division of Taxation.

P.L. 1991, c.469—Five-Year Abatement Extension
(Approved January 18, 1992) Provides uniform property tax treatment in sixth and subsequent years for certain residential structures previously granted a five-year abatement for the purposes of encouraging residential construction, conversion, improvement and redevelopment. This exemption, which takes effect immediately, applies to any five-year tax abatement agreement entered into under P.L. 1989, c.207.

P.L. 1991, c.508—Property Tax Exemption for Public Housing Converted to Private Ownership by Tenants
(Approved January 18, 1992) Clarifies eligibility for continued property tax exemption of certain public housing project property during transition to private ownership by tenants.

P.L. 1992, c.24—Business Retention Act
(Approved June 26, 1992) Exempts from local property tax certain business property by revising the definition of property taxable at the municipal level to create a broad exclusion for machinery and equipment used in manufacturing. Reductions in assessment made as a result of the changes may be phased in over five years to reduce the impact of lost revenue on a town.

P.L. 1993, c.62—Amendment to Five-year Exemption and Abatement Law
(Approved March 4, 1993) Allows municipalities and taxpayers a reasonable transition period within which to adopt new ordinances without creating a break in the availability of exemptions and abatements under the "Five-Year Exemption and Abatement Law" which was intended to replace and consolidate separate statutes providing for five-year tax exemptions and abatements for improvements to one- and two-family dwellings, multiple dwellings and commercial and industrial properties. (Effective immediately and retroactive to January 18, 1992.)

P.L. 1993, c.101—Extensions for Certain Revaluations
(Approved April 3, 1993) Permits municipalities to spread over a three-year period the tax impact of extreme increases in tax assessments resulting from revaluation. The law restricts a municipal revaluation relief program to "areas in need of rehabilitation."

P.L. 1993, c.129—Memberships of County Boards of Taxation
(Approved June 1, 1993) Increases membership of boards of taxation in certain counties.

P.L. 1993, c.165—Municipal Distribution of Some State Taxes for Local Property Tax Relief
(approved July 1, 1993) Amends provision in Section 1 of P.L. 1992, c.40 which requires Fiscal Year 1993 municipal distributions of unanticipated and retained State public utilities gross receipts and franchise taxes for local property tax relief.

P.L. 1993, c.166—Property Tax Exemption for Some Health Care Properties
(Approved July 1, 1993) Exempts from local property tax certain non-profit health care facilities for the elderly, such as nursing homes, residential health care facilities, assisted living residences, facilities with a Class C license, etc. Applicable to assessments and taxes for the tax year beginning January 1, 1994.

Miscellaneous

P.L. 1991, c.318—Voter Registration
(Approved November 20, 1991) Requires the Division of Taxation (and certain other public agencies) to have voter registration forms displayed and available at each public office, to inquire from each person who appears at those offices whether he or she may wish to register to vote and to provide assistance in preparing the forms. (Effective on the ninetieth day following enactment or February 18, 1992.)

P.L. 1991, c.376—Atlantic City Tourism Promotion Fee
(Approved January 13, 1992) Authorizes the collection of fees for the promotion of tourism, conventions, resorts

and casino gaming in municipalities with convention center facilities supported by a local retail sales tax. The fee is imposed upon and is payable by all hotels located in Atlantic City.

P.L. 1991, c.431—Comprehensive Housing and Redevelopment Tax Exemption Law
(Approved January 18, 1992) Authorizes municipalities to enter into financial agreements with urban renewal entities for redevelopment purposes, authorizing tax exemptions with respect to their projects, supplementing Title 40A of the New Jersey Statutes, and revising or repealing various parts of the statutory law.

P.L. 1992, c.16—Economic Recovery Fund Act
(Approved June 10, 1992) Creates and maintains a special nonlapsing fund known as the "Economic Recovery Fund." This fund will enable the State to make direct investments in economic development projects by the creation of special accounts to invest in small and medium size businesses; provide financing and development of infrastructure and transportation, cultural and recreational projects; financing of capital facilities for primary and secondary schools in the State; provide assistance to businesses for environmental cleanup as prescribed by law; and the financing of restoration, maintenance, monitoring, protection and preservation of New Jersey shores.

P.L. 1992, c.75—State Revenue Forecasting Advisory Commission
(Approved July 31, 1992) Establishes the "State Revenue Forecasting Advisory Commission" as a permanent eight-member, bipartisan commission to engage in a continuous study of State tax and revenue collection and to provide advisory revenue forecasts quarterly to assist the Governor and the Legislature in estimating tax revenues for State budget purposes.

P.L. 1992, c.140—Electronic Funds Transfer Required
(Approved November 16, 1992) Requires the use of Electronic Funds Transfer for tax payments made by certain taxpayers effective March 1, 1993. Initially, taxpayers with a prior year liability of $200,000 or more are required to participate. The eligibility threshold will be reduced yearly until March 1, 1996 when the threshold will be a prior year liability of $20,000 or more.

P.L. 1992, c.172—Private Collection Agents
(Approved December 8, 1992) Authorizes the use of private collection agents by the Division of Taxation for the purpose of assisting the Division in the collection of delinquent taxes. Such private persons, companies, associations, or corporations providing debt collection services and their employees will be specifically subject to the confidentiality provisions of R.S. 54:50-8.

P.L. 1992, c.175—Taxpayers' Bill of Rights
(Approved December 10, 1992) Ensures that: (1) all taxpayers are accorded the basic rights of fair and equitable treatment under the law; and (2) all taxpayers receive the information and assistance they need to understand and meet their State tax responsibilities. This bill also establishes taxpayers' rights and obligations regarding Division of Taxation procedures for refunds, collections and appeals.

P.L. 1993 c.144—Clarifies Provision of "New Jersey Urban Enterprise Zone Act"
(Approved June 21, 1993) Specifies that deposits to the Enterprise Zone Assistance Fund are to begin at the time that the 50% sales tax exemption is granted to an enterprise zone rather than at the time that the enterprise zone is initially designated. Also permits an existing enterprise zone with the 50% sales tax exemption that did not receive the full five-year benefit of 100% deposits into the fund to deposit all revenues into that fund until the full five-year benefit has been received.

P.L. 1993, c.150—Employer Tax Incentives for Ride-Sharing Programs
(Approved June 24, 1993) Provides employer tax credits as an incentive for compliance with the "New Jersey Traffic Congestion and Air Pollution Control Act," (P.L. 1992, c.32), including a tax credit for employers who provide alternative means of transportation for their employees. (Effective January 1, 1994.)

P.L. 1993, c.159—Casino Parking Fee In Atlantic City
(Approved June 29, 1993) Requires casino parking facilities in Atlantic City to impose a minimum $2.00 a day charge for a space used for parking, garaging or storing a motor vehicle in a parking facility or property owned or leased by a casino hotel or by any person on behalf of a casino hotel licensed under the "Casino Control Act."

Motor Fuels Tax

P.L. 1992, c.23—Motor Fuels Tax Assessed at Retail Level
(Approved June 22, 1992) Changes the way the motor fuels tax is administered, and requires the tax to be paid

at the retail level instead of by a distributor. Also expands the definition of "fuels," changes licensing requirements and terms, sets new bonding requirements, expands record keeping requirements, requires sealed totalizers on fuel-dispensing equipment, increases fines and penalties and imposes personal liability on those responsible for the tax imposed, collected or required to be paid, collected or remitted to the State, and gives the State forfeiture power over untaxed special fuels in certain circumstances. (Effective July 1, 1992.)

Realty Transfer Fee

P.L. 1992, c.148—Shore Protection Fund
(Approved November 20, 1992) Dedicates the first $15 million of the State share of the realty transfer fee imposed and collected under P.L. 1968, c.49 for shore protection projects. This revenue will be deposited in the nonlapsing "Shore Protection Fund." (Effective July 1, 1993.)

Sales Tax

P.L. 1991, c.497—Exemption for Labor Charges on Repairs to Certain Buses
(Approved January 18, 1992) Extends the exemption provided in sales tax section N.J.S.A. 54:32B-8.28 to include labor charges in addition to the receipts received from sales of certain buses and repair and replacement parts.

P.L. 1992, c.11—Sales Tax Rate Reduction
(Approved May 21, 1992) Reduced the sales tax rate from 7% to 6%. (Effective July 1, 1992.)

P.L. 1992, c.165—Tourism Improvement and Development District Act
(Approved December 2, 1992) Authorizes any two or more municipalities in a county of the sixth class to create a tourism improvement and development district and an authority to undertake tourism projects such as convention center facilities or beach protection and restoration. Also authorizes these municipalities to levy a retail sales tax not to exceed two percent on predominantly tourism-related retail sales.

P.L. 1993, c.10—Coin-Operated Telecommunications
(Approved January 15, 1993) Exempts charges subject to the local calling rate paid by inserting coins into a coin-operated telecommunications device available to the public from the sales and use tax. The only such devices currently operating in New Jersey are pay telephones. The exemption does not apply to charges paid by credit card or charged to another service number. The bill also provides for the computation of the sales and use tax for coin-operated toll calls in five-cent multiples. (Effective immediately and retroactive to July 1, 1990.)

Transfer Inheritance and Estate Tax

P.L. 1992, c.39—Estate Tax Under Federal Extension
(Approved June 30, 1992) Provides that if an extension of time to file Federal estate tax has been granted, the Director of the Division of Taxation may reduce the interest rate to 6% per year until the expiration of the Federal Extension (instead of 10%). (Effective for estates of persons who died on or after March 1, 1992.)

Unclaimed Property

P.L. 1992, c.173—Unclaimed County Deposits Trust Fund
(Approved December 10, 1992) Establishes a procedure under which unclaimed funds held by county clerks and surrogates would be deposited in a separate account to be known as the "Unclaimed County Deposits Trust Fund." Each year, within 45 days of the deposit by the counties of funds into this account, 75 percent of the funds deposited would be returned to the counties. The remaining funds would be retained by the State Treasurer and used to pay claims.

COURT DECISIONS

Corporation Business Tax

Change or Correction of Income; Time to File for Refund in New Jersey

H.B. Acquisitions v. Div. of Taxation, 12 N.J. Tax 60 (Tax Court 1991). Corporate taxpayer brought action seeking refund of New Jersey corporation business tax. The Tax Court held that: (1) taxpayer's furnishing Internal Revenue Service (IRS), at request of IRS in context of audit, with amended tax return, did not constitute change or correction by IRS necessary to extend two-year limitations period in which to claim refund of New Jersey corporation business tax; (2) taxpayer's second corporation business tax return, rather than its claim for refund based on assertion that figures on earlier returns were estimated, was taxpayer's "final return" that commenced limitations period for seeking refund; and (3) equitable consideration did not permit taxpayer to file claim for refund outside of two-year limitations period.

Corporate taxpayer's furnishing IRS, at request of IRS in context of audit, with amended tax return, did not constitute change or correction by IRS necessary to extend two-year limitations period in which to claim refund of New Jersey corporation business tax; request by IRS was request for information to assist in audit, not change or correction by IRS as result of audit.

Taxpayer's second corporation business tax return, rather than its claim for refund based on assertion that figures on earlier returns were estimated, was taxpayer's "final return" that commenced limitations period for seeking refund.

Equitable consideration did not permit corporate taxpayer to file claim for refund of corporation business tax outside of two-year limitations period, despite difficulties incurred by taxpayer in appraising assets and determining actual tax liability following acquisition, where taxpayer had failed to request extension of time in which to file final return, even though it knew of need to appraise assets due to its election under Internal Revenue Code to treat acquisition as purchase of assets.

Abatement of Penalty and Interest

Wheaton Ind. v. Dir., Div. of Taxation, 12 N.J. Tax 19 (Tax Court, 1991). Director of the Division of Taxation moved for summary judgment dismissing complaint appealing determination that taxpayer was not entitled to abatement of interest and penalties. The Tax Court held that: (1) the Division was not equitably estopped from asserting timeliness challenge to taxpayer's complaint, and (2) letter sent to taxpayer and indicating that it contained the Division's final determination of its assessment against the taxpayer satisfied statutory notice requirements.

The Division of Taxation was not equitably estopped from asserting timeliness challenge to complaint which sought review of determination that taxpayer was not entitled to abatement of interest and penalties, notwithstanding taxpayer's claim that its attorney was not notified of the Division's final determination; attorney's letter to Director had explicitly authorized the Division to communicate directly with taxpayer's treasurer, and it was reasonable for the Division to have so concluded.

Letter which was written by conferee of the Division of Taxation and which indicated that it contained the Division's final determination of the Division's assessment against the taxpayer satisfied statutory requirement of giving notice of deficiency assessment.

Gross Income Tax

Effect of S Corporation Distribution for Purposes of Tax Credit

Laurite v. Taxation Div. Dir., 12 N.J. Tax 483 (Tax Court, 1992). Taxpayer contested denial by Director of Division of Taxation of income tax credit for New York taxes paid on New Jersey S corporation's distribution to taxpayer. The Tax Court held that New York S corporation's distribution to New Jersey taxpayer, which was less than either corporation's accumulated earnings or its earnings for year of distribution, would be treated as if received from corporation's accumulated earnings, for purpose of determining whether taxpayer was entitled to credit on his New Jersey income tax for New York tax paid on the distribution.

New York S corporation's distribution to New Jersey taxpayer, which was less than either corporation's accumulated earnings or its earnings for year of distribution, would be treated as if received from corporation's accumulated earnings, for purpose of determining whether taxpayer was entitled to credit on his New Jersey income tax for New York tax paid on the distribution; Division of Taxation's policy dictated first-in-first-out treatment of distributions from nonresident S corporations to New Jersey residents.

Even if New Jersey's modified policy concerning distributions from nonresident S corporations to New Jersey residents was retroactively applicable, New York S corporation's distribution to New Jersey taxpayer would be considered distribution from accumulated earnings rather than from current earnings, and thus taxpayer would not be entitled to credit on his New Jersey income tax for New York taxes paid under distribution, absent demonstration that income at issue was distributed from current earnings of corporation.

Loss From Nonbusiness Debt Is Not Deductible
Vinnik v. Taxation Div. Dir., 12 N.J. Tax 450 (Tax Court, 1992). Taxpayer sought review of deficiency in gross income tax determined by Division of Taxation. The Tax Court held that loss sustained when nonbusiness debt becomes worthless is not deductible under the New Jersey Gross Income Tax Act.

New Jersey gross income tax is tax on gross income reduced only by certain limited deductions and credits. Loss sustained when nonbusiness debt becomes worthless is not deductible under the New Jersey Gross Income Tax Act.

Homestead Property Tax Rebate

Single Taxpayer Limited to Minimum Rebate of $65 Because Gross Income Was $10 Over $35,000 Limit
Kriney v. Dir., Div. of Taxation, No. 10-25-12101-91HR (Tax Court, February 7, 1992). Taxpayer (Mr. Kriney) contested the Division of Taxation's determination that his Homestead Property Tax Rebate was limited to $65 for tax year 1990. Plaintiff was a "single" taxpayer whose gross income for the year 1990 was $35,010, including interest of $107. He was the tenant of a one-family house for which he paid rent of $18,000 in 1990.

If plaintiff's income had been $35,000 or less, he would have been entitled to a Homestead Rebate of 18% of his rent payment less 5% of his gross income, to a maximum of $500. The Tax Court reviewed the Homestead Property Tax Rebate Act of 1990 (N.J.S.A. 54:4-8.57 *et seq.*), which indicated that the Taxation Director's determination must be affirmed.

The Act allows the plaintiff, a residential tenant, a minimum rebate of $65 under N.J.S.A. 54:4-8.60(a)(1). A tenant whose filing status is "single" can qualify for a larger rebate only if his or her gross income does not exceed $35,000 under N.J.S.A. 54:4-8.60(b)(2). Since Mr. Kriney was a single taxpayer and his gross income exceeded $35,000, his rebate was limited to $65. Therefore, the court affirmed the Director's determination.

Rooming House Tenant Qualifies for Rebate Only If Room Has Its Own Separate Kitchen and Bathroom Facilities
Vavoulakis v. Div. of Taxation, No. 11-11-12106-91R (Tax Court, February 11, 1992). This case involved the interpretation of the Homestead Property Tax Rebate Act of 1990, N.J.S.A. 54:4-8.57 to 8.66. Taxpayer (Mr. Vavoulakis), a resident of a rooming house, was denied a Homestead Property Tax Rebate by the Division of Taxation. The Division said he was ineligible because he had not occupied a rental unit with separate bathroom and kitchen facilities. Mr. Vavoulakis argued that he still qualified for a rebate because he had access on a shared basis to common bathroom and kitchen facilities.

At issue was a Homestead Property Tax Rebate Act definition for "residential rental property." One of the definitions was "A rooming house, motel, or hotel, if the rooms constituting the homestead are equipped with kitchen and bathroom facilities...."

The Tax Court disagreed with the taxpayer and held that a rooming house tenant can qualify for a Homestead Rebate only if the tenant's room has a separate kitchen and bath, rather than a shared one. The court also held that 1) the Division's interpretation did not constitute impermissible rule-making, and 2) there was no need to consider the taxpayer's request to maintain the court action as a class action on behalf of other rooming house residents.

Exempt Property Tax Tenants Are Ineligible for Homestead Rebate
Rutgers University Legislative Affairs Council (RULAC) v. Division of Taxation, 12 N.J. Tax 642 (Tax Court, November 25, 1992). Rutgers University Legislative Affairs Council, Inc. (RULAC), challenged a determination by the Division of Taxation that Rutgers University students living in on-campus housing are not eligible for Homestead Rebates under the Homestead Property Tax Rebate Act of 1990 N.J.S.A. 54:4-8.59 to 8.66. The Tax Court upheld the Director's determination.

The Court determined that payment of property tax is an implicit requirement of the homestead statute and that "in lieu of" tax payments are not the functional equivalent of property taxes. Because Rutgers not only does not pay property taxes in connection with on-campus hous-

ing, but also does not make "in lieu of" tax payments (the State makes payments (in lieu of taxes) on behalf of Rutgers), the Tax Court concluded that the students were not eligible for Homestead Rebates. The Court also rejected the students' equal protection argument, finding that limiting the Homestead Rebate to only those who have paid local property taxes does not violate any constitutional rights.

Insurance Premiums Tax

Phaseout Distributions to Municipality Not Terminated by Insurance Company's Relocation of Principal Office to Another State

Township of Holmdel v. Dir. Div. of Taxation, A-2692-90TI (App. Div., October 1991). Prior to 1981, a domestic nonlife insurance company paid franchise taxes to the municipality and county in which its principal office was located. When the franchise tax was abolished in 1981, the Legislature required the State under N.J.S.A. 54:18A-1a(b) to make payments to the municipality to compensate it for its loss of revenue. Such payments were to terminate if an insurance company relocated its principal office from the municipality.

To lessen the impact on a municipality from such a relocation, the Legislature under a 1983 amendment (N.J.S.A. 54:18A-1b) required the State to make five-year phaseout payments to the municipality. On April 10, 1989, the Director of the Division of Taxation issued a letter decision advising Holmdel that it was not entitled to receive payments under 54:18A-1a. The insurance company previously located in Holmdel, Prudential Property and Casualty Insurance Company (Prupac), was no longer a domestic company and had relocated its principal office out of the municipality.

The Director's decision was sent by mail. On July 11, 1989—92 days later—Holmdel filed a complaint for declaratory relief in the Tax Court. The Tax Court determined that an insurance company's relocation of its principal office from a municipality in connection with its "redomestication" does not terminate the State's obligation to make phaseout distributions. The Tax Court awarded Holmdel $3,972,253.87, representing payments due for 1988–1990.

On appeal to the Superior Court, the Director contended that Holmdel's claim was barred by N.J.S.A. 54:51A-14. With certain exceptions, this statute requires complaints to be filed within 90 days after the date of the action sought to be reviewed. In response, Holmdel asserted that because the Director's decision was sent by mail, Rules 1:3-3 and 8:4-2(b) were applicable. Rule 1:3-3, which is made applicable to the Tax Court by Rule 8:4-2(b), provides in pertinent part that "[w]hen service of a...paper is made by mail, and a rule or court order allows the party served a period of time after the service thereof within which to take some action, [three] days will be added to the period." *Ibid.*

The Superior Court held: Rule 1:3-3 does not extend the filing deadline, but instead prescribes the manner in which the 90-day statutory period is to be calculated. In addition, N.J.S.A. 54:51A-18 provides express authorization for calculating the limitation period in accordance with court rules.

Also, explaining that the phaseout payments were designed to wean the municipality from its dependence on the State's payment of funds under 54:18A-1a, the Superior Court affirmed that the State was obligated to make the distributions.

Local Property Tax

Effect of Assessor Error on Statute of Limitations for Refund

Van Winkle v. Rutherford Bor., 12 N.J. Tax 290 (Tax Court, 1992). Taxpayers moved, without opposition, for partial summary judgment under correction of errors statute to reduce real property tax assessment for a period of four years. The Tax Court held that taxpayers were not entitled to relief under statute permitting for longer statute of limitations in instances of transpositional or typographical errors given fact that assessor mistakenly included too much area in making his land assessment but did not make transpositional or typographical error.

Just as litigants cannot agree to confer jurisdiction on court which lacks statutory authority to hear a matter, they cannot agree to have court grant relief for which there is no authority.

Taxpayer was not entitled to relief from alleged tax assessor's errors under correction of errors statute, which had longer statute of limitations; assessor mistakenly included too much area in making his land assessment but did not make transpositional, typographical, mechanical, mathematical, clerical, or merely administrative error in assessment so as to come within purview of statute.

Industrial Property Tax Assessments
Jablin v. Northvale Borough, 13 N.J. Tax 103 (Tax Court, 1991). Landowner brought action to challenge real property tax assessments for industrial property. The Superior Court, Appellate Division, held that: (1) municipality's appraisal expert could be permitted to testify; (2) reserve to monitor the property to insure against pollution could be excluded as operating expense in income approach calculations by tax court; and (3) tax court could reject landowner's rent calculations for the property.

Municipality's appraisal expert could be permitted to testify in challenge to real property assessments, although he had not inspected interior of building and did not certify that he had personally inspected the property; expert could rely on facts or data made known to him at or before hearing and sufficiently reviewed data gathered by another appraiser.

Fact that municipality's appraisal expert did not inspect interior of building went to weight, not admissibility, of expert's testimony in challenge to real property assessments.

Although tax court is charged with applying its own judgment to experts' valuation data in order to determine property's true value, its right to make such independent assessment is not boundless; its determination must be based on evidence before it and data at its disposal.

Rent for two-story industrial property in affluent suburb could be determined by tax court comparing leases for single-story industrial and office space in residential communities and rejecting landowner's proposed comparison of leases for multi-story buildings in urban area.

Use of Property Determines Tax Exemption
West Orange Twp. v. Hebrew Academy, 13 N.J. Tax 48 (Tax Court, 1993). Township sought review of judgments of County Board of Taxation granting exemption to property used as nursery school. The Tax Court held that: (1) nursery school was nonprofit organization exempt from Federal tax and was "school" or "academy" within meaning of New Jersey statute so that its use and occupancy of buildings qualified property for exemption even though school was tenant and not owner, and (2) evidence showed that entire land area was used by nursery school for playground so that area was necessary for fair enjoyment of buildings within contemplation of exemption statute.

Nursery school which was nonprofit organization exempt from Federal tax was "school" or "academy" within meaning of New Jersey statute providing exemption for property from local taxation even though nursery school was tenant and not owner of subject property.

Where owner of property was nonprofit school or academy and tenant of property operated nursery school, property was exempt from taxation under statute; educational institution had to be nonprofit organization to qualify for tax exemption.

For purposes of exemption from local property tax for school or academy, under which exemption extended to five acres multiplied by number of buildings, total land area was exempt where land was necessary for fair enjoyment of buildings within purview of exemption statute; "fair enjoyment" was to "use" so that land could be considered necessary even if not indispensable to exempt buildings.

Entire land area of property on which preschool was located was subject to exemption from local property tax for school or academy where evidence showed that entire area was used as playground and for activities conducted by school for children in attendance; use of land showed reasonable necessity of entire lot for fair enjoyment of buildings.

Motor Fuels Tax

Exemption for Sale of Motor Fuel for Exportation
Flexx Petro. Corp. v. Tax Div. Dir., 12 N.J. Tax 1 (Tax Court, 1991). Wholesale dealer of motor fuels in New Jersey brought suit for determination of its entitlement to exemption accorded to motor fuels sold for exportation. The Tax Court held that New Jersey statute providing that motor fuels sales tax shall not apply to fuels sold for exportation did not require that purchaser itself export fuel in order to claim exemption.

New Jersey statute providing that motor fuels sales tax shall not apply to fuels sold for exportation did not require that purchaser itself export fuel in order to claim exemption; it was enough that parties to whom purchaser resold fuel exported fuel from state.

Sales and Use Tax

Collection of Tax By Out-of-State Vendor

Falcone v. Taxation Div. Director, 12 N.J. Tax 75 (Tax Court, 1991). Director of Division of Taxation filed a Certificate of Debt in connection with deficiency tax assessment for out-of-state garden and recreational equipment dealer's failure to collect sales tax. The Tax Court held that: (1) requiring out-of-state vendor to collect sales tax did not violate commerce clause, and (2) dealer's use of its own truck to deliver equipment in State was sufficient nexus to impose obligation, for purposes of due process, to collect sales tax.

Requiring out-of-state garden equipment and recreational vehicle dealer to collect sales tax pursuant to State Sales and Use Tax Act for goods delivered to in-state residents did not violate commerce clause since obligation to collect sales tax was imposed equally upon both in-state and out-of-state vendors.

Due process requires degree of physical presence in addition to out-of-state retailer's economic presence or taking advantage of state's economic milieu before state may seek to exercise its taxing power over out-of-state retailer.

Delivery of garden and recreational equipment with out-of-state dealer's own truck to State residents was sufficient nexus to impose obligation upon dealer to collect sales tax under State Sales and Use Tax Act; dealer's due process rights were not violated since transfer of possession and title to equipment occurs in State and required dealer's physical presence in State, use of State roads, and reliance on police protection and other similar State and local services.

Responsible Officer Liability for Unpaid Taxes

Cooperstein v. Div. of Taxation, 13 N.J. Tax 68 (Tax Court, 1993). Director of Division of Taxation determined that president of corporation was personally liable for corporation's unpaid sales taxes and gross income withholding taxes. The Tax Court held that president whose initial involvement in corporation was for sole purpose of earning brokerage commission, upon transfer of business from father to son and who did not exercise control over nor participate in financial affairs of corporation was not personally liable for unpaid taxes of corporation.

Two principles of statutory construction are relevant to any analysis of taxing statutes; first is that court must follow clear import of statutory language; and second, if interpretation of provision is doubtful and legislative history does not assist in removing doubt, statutory provision should be construed in favor of taxpayer.

Legislature did not intend to hold all corporate officers personally liable for unpaid corporate income taxes, but only those who were under duty to act for corporation with respect to payment of taxes.

Determination of whether duty to act on behalf of corporation exists so as to render corporate officer liable for unpaid income taxes of corporation depends upon balancing of number of factors including, but are not limited to: contents of corporate bylaws; one's status as officer and/or stockholder; authority to sign checks and actual exercise of this authority; authority to hire and fire employees and actual exercise of this authority; responsibility to prepare and/or sign tax returns; day-to-day involvement in business or responsibility for management; power to control payment of corporate creditors and taxes; knowledge of failure to remit taxes when due; and derivation of substantial income or benefits from corporation.

Attorney who was named incorporating director of client's new corporation and was designated corporate president with authority to manage business for sole purpose of earning brokerage commission on transfer of business from father to son was not personally liable for corporation's unpaid sales taxes and withheld gross income taxes, where attorney did not exercise authority conferred on him in corporate bylaws during tax period at issue, had no involvement in day-to-day operations or in overall management of corporation's affairs, was not stockholder and did not receive any income, salary or commission and did not participate in preparation of either State or Federal tax returns nor was he expected to.

Casual Sale Exemption Requires Purchase for Taxpayer's Own Use

Heuer v. Taxation Div. Dir., 12 N.J. Tax 443 (Tax Court, 1992). Taxpayer contested use tax deficiency imposed on yacht. The Tax Court held that: (1) sale of boat by United States District Court for the District of Maryland was not casual sale because the Court had not purchased the vessel for its own use in New Jersey, and (2) fact that boat was in New Jersey for less than 180 consecutive days did not preclude imposition of tax.

Imposition of use tax permits State to recover revenue to which State is entitled that might otherwise be lost when residents purchase property free from sales tax outside of

the State and later use it in-state to the same extent as taxable property purchased in the State.

Sales and Use Tax Act does not exempt casual sales of vessels subject to registration under the New Jersey Boat Act. Sale of vessel by United States District Court for the District of Maryland was not a "casual sale" exempt from use tax as the seller, the District Court, had not purchased the vessel for its own use in New Jersey.

Presence of boat owned by New Jersey resident in New Jersey for any period of time was sufficient to subject it to the use tax, even though the vessel was not in the State for the 180 days which would give rise to a registration requirement under the New Jersey Boat Act.

U.S. SUPREME COURT—NORTH DAKOTA—Use Tax on Out-of-State, Mail-Order Business Does Not Violate Due Process Clause, But Does Violate Commerce Clause Restrictions

Quill Corporation v. North Dakota, Docket No. 91-194 (U.S. Supreme Court, decided May 26, 1992). Quill Corporation is a mail-order house with neither outlets nor sales representatives in North Dakota. The State of North Dakota required Quill to collect and pay a use tax on goods purchased for use in the state. The North Dakota Supreme Court had concluded that under *Complete Auto Transit, Inc. v. Brady*, 430 U.S. 274, and its progeny, the Commerce Clause no longer mandated the sort of physical presence nexus suggested in *National Bellas Hess, Inc. v. Department of Revenue of Illinois*, 386 U.S. 753. Concerning the Due Process Clause, the court also had found that cases following *Bellas Hess* had not construed minimum contacts to require physical presence within a state as a prerequisite to the legitimate exercise of state power. Accordingly, the tax had been upheld and Quill appealed to the U.S. Supreme Court.

The U.S. Supreme Court held that the Due Process Clause does not bar enforcement of North Dakota's use tax against Quill. Due process jurisprudence has evolved substantially since *Bellas Hess*. Formalistic tests focusing on a defendant's status presence within a state have been replaced with a more flexible inquiry into whether a defendant's contacts with the forum made it reasonable to require it to defend the suit in that state. Thus, to the extent that the Supreme Court's decisions have indicated that the Due Process Clause requires a physical presence in a state, they are overruled. In this case, Quill has purposefully directed its activities at North Dakota residents. The magnitude of those contacts are more than sufficient for due process purposes. Therefore, the tax is related to the benefits Quill receives from access to the state.

On the Commerce Clause issue, however, the Supreme Court held that the state's enforcement of the use tax against Quill placed an unconstitutional burden on interstate commerce. A vendor whose only contacts with the state are by mail or common carrier lacks the "substantial nexus" required by the Commerce Clause.

The court explained that a mail-order house may have the "minimum contacts" required by the Due Process Clause, and yet lack the "substantial nexus" required by the Commerce Clause. The Due Process and Commerce Clause requirements are not identical. Due process concerns the fundamental fairness of governmental activity.

The touchstone of due process nexus analysis is often identified as "notice" or "fair warning." In contrast, the Commerce Clause and its nexus requirement are informed by structural concerns about the effects of state regulation on the national economy. Concerning the Commerce Clause requirements, cases subsequent to *Bellas Hess* and concerning other types of taxes have not adopted a bright-line, physical presence requirement similar to that in *Bellas Hess*. However, their reasoning does not compel rejection of the *Bellas Hess* rule regarding sales and use taxes.

The U. S. Supreme Court also explained that the underlying issue in this case was one that Congress may be better qualified to resolve and one that it has the ultimate power to resolve. The decision of the North Dakota Supreme Court was reversed.

APPENDICES

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1992 General and Effective Property Tax Rates By Municipality

County	General Tax Rate	Effective Tax Rate
Atlantic		
Absecon City	3.455	2.410
Atlantic City City	2.480	2.035
Brigantine City	2.082	1.852
Buena Borougho	3.196	2.323
Buena Vista Township	2.075	1.766
Corbin City City	1.626	1.422
Egg Harbor City	3.368	3.038
Egg Harbor Township	2.518	1.746
Estell Manor City	1.538	1.765
Folsom Borough	2.493	2.100
Galloway Township	2.703	1.980
Hamilton Township	2.798	1.892
Hammonton Town	2.861	2.102
Linwood City	2.289	2.333
Longport Borough	1.876	1.054
Margate City City	1.450	1.503
Mullica Township	3.114	2.097
Northfield City	3.455	2.642
Pleasantville City	2.503	2.559
Port Republic City	2.765	1.724
Somers Point City	2.771	2.167
Ventnor City	1.793	1.766
Weymouth Township	2.358	1.876
Bergen		
Allendale Borough	2.859	1.909
Alpine Borough	0.729	0.784
Bergenfield Borough	2.647	2.394
Bogota Borough	3.000	2.248
Carlstadt Borough	1.680	1.128
Cliffside Park Borough	1.885	1.617
Closter Borough	2.160	2.018
Cresskill Borough	2.260	1.754
Demarest Borough	2.670	2.022
Dumont Borough	2.100	2.336
Elmwood Park Borough	1.620	1.614
East Rutherford Borough	2.120	1.348
Edgewater Borough	1.526	1.207
Emerson Borough	2.780	2.047
Englewood City	2.406	2.104
Englewood Cliffs Bor	1.099	0.927
Fair Lawn Borough	2.080	1.890
Fairview Borough	2.317	1.892
Fort Lee Borough	1.669	1.371
Franklin Lakes Borough	1.417	1.190
Garfield City	1.830	1.926
Glen Rock Borough	2.436	2.030
Hackensack City	2.408	2.057
Harrington Park Borough	2.110	2.117
Hasbrouck Heights Bor	2.700	1.952
Haworth Borough	2.030	1.868
Hillsdale Borough	2.616	1.999
Hohokus Borough	1.690	1.413
Leonia Borough	3.615	1.903
Little Ferry Borough	2.446	1.785
Lodi Borough	2.710	2.093
Lyndhurst Township	1.420	1.412
Mahwah Township	1.630	1.446
Maywood Borough	1.960	1.902
Midland Park Borough	2.080	1.901
Montvale Borough	1.728	1.539
Moonachie Borough	1.960	1.095
New Milford Borough	2.128	2.200
North Arlington Borough	1.697	1.579
Northvale Borough	2.870	1.986
Norwood Borough	2.910	1.694
Oakland Borough	2.300	2.205
Old Tappan Borough	2.667	1.562
Oradell Borough	2.545	1.882
Palisades Park Borough	2.178	1.903
Paramus Borough	1.840	1.454
Park Ridge Borough	1.860	1.864
Ramsey Borough	2.180	1.878
Ridgefield Borough	1.498	1.185
Ridgefield Park Village	2.360	2.322
Ridgewood Borough	2.250	2.114
River Edge Borough	2.106	2.077
Rivervale Township	3.190	2.001
Rochelle Park Township	2.230	1.599
Rockleigh Borough	0.740	0.772
Rutherford Borough	2.208	2.132

County	General Tax Rate	Effective Tax Rate
Bergen (continued)		
Saddle Brook Township	1.680	1.597
Saddle River Borough	0.748	0.746
South Hackensack Twp	1.900	1.725
Teaneck Township	2.380	2.286
Tenafly Borough	4.170	1.856
Teterboro Borough	0.900	1.166
Upper Saddle River Bor	1.720	1.478
Waldwick Borough	2.367	2.172
Wallington Borough	1.687	1.633
Washington Township	2.276	1.782
Westwood Borough	2.520	1.779
Woodcliff Lake Borough	1.820	1.652
Wood-Ridge Borough	3.590	1.805
Wycoff Township	2.398	1.614
Burlington		
Bass River Township	3.078	1.840
Beverly City	4.613	2.286
Bordentown City	2.709	2.770
Bordentown Township	2.330	2.411
Burlington City	1.974	2.097
Burlington Township	2.087	1.927
Chesterfield Township	1.892	1.978
Cinnaminson Township	2.078	1.977
Delanco Township	2.222	2.036
Delran Township	2.201	2.121
Eastampton Township	2.114	2.067
Edgewater Park Township	3.715	2.106
Evesham Township	1.932	1.915
Fieldsboro Borough	3.195	2.439
Florence Township	3.599	2.062
Hainesport Township	2.214	2.089
Lumberton Township	2.115	2.259
Mansfield Township	1.933	1.820
Maple Shade Township	2.359	2.347
Medford Township	2.074	1.995
Medford Lakes Borough	4.383	2.460
Moorestown Township	2.402	2.114
Mt. Holly Township	3.157	2.921
Mt. Laurel Township	2.565	1.899
New Hanover Township	0.333	0.340
North Hanover Township	1.508	1.488
Palmyra Borough	4.000	2.199
Pemberton Borough	2.613	2.299
Pemberton Township	2.010	2.105
Riverside Township	2.098	1.918
Riverton Borough	2.687	2.504
Shamong Township	1.800	1.838
Southampton Township	1.792	1.683
Springfield Township	1.963	1.899
Tabernacle Township	1.789	1.819
Washington Township	1.825	2.410
Westampton Township	2.319	2.359
Willingboro Township	3.013	2.667
Woodland Township	2.250	2.115
Wrightstown Borough	1.715	1.540
Camden		
Audubon Borough	3.939	2.367
Audubon Park Borough	3.914	3.794
Barrington Borough	4.598	2.936
Bellmawr Borough	2.760	2.513
Berlin Borough	6.948	2.337
Berlin Township	2.133	2.456
Brooklawn Borough	2.498	2.811
Camden City	4.063	3.662
Cherry Hill Township	8.067	2.515
Chesilhurst Borough	5.981	2.849
Clementon Borough	2.477	2.828
Collingswood Borough	4.728	2.539
Gibbsboro Borough	3.422	2.435
Gloucester City	6.868	2.739
Gloucester Township	6.684	2.511
Haddon Township	7.166	2.636
Haddonfield Borough	5.019	2.406
Haddon Heights Borough	4.285	2.634
Hi Nella Borough	4.264	2.496
Laurel Springs Borough	4.521	2.805
Lawnside Borough	7.032	3.197
Lindenwold Borough	4.590	2.967
Magnolia Borough	8.084	2.934
Merchantville Borough	4.896	2.871
Mount Ephraim Borough	4.125	2.619
Oaklyn Borough	2.580	2.631
Pennsauken Township	7.415	2.576
Pine Hill Borough	6.682	2.899
Pine Valley Borough	2.968	1.971
Runnemede Borough	2.639	2.797
Somerdale Borough	4.379	2.823
Stratford Borough	2.566	2.643
Tavistock Borough	1.437	2.488
Voorhees Township	2.938	2.329
Waterford Township	6.128	2.799
Winslow Township	5.615	2.392
Woodlynne Borough	4.720	3.196

County	General Tax Rate	Effective Tax Rate
Cape May		
Avalon Borough	0.860	0.886
Cape May City	1.810	1.381
Cape May Point Borough	0.680	0.811
Dennis Township	1.630	1.582
Lower Township	1.940	1.891
Middle Township	1.820	1.866
North Wildwood City	2.150	2.086
Ocean City	1.420	1.482
Sea Isle City	1.610	1.328
Stone Harbor Borough	1.080	0.912
Upper Township	1.170	1.156
West Cape May Borough	1.640	1.515
West Wildwood Borough	2.030	1.784
Wildwood City	2.420	2.555
Wildwood Crest Borough	1.420	1.609
Woodbine Borough	2.890	2.157
Cumberland		
Bridgeton City	5.880	2.806
Commercial Township	2.620	2.386
Deerfield Township	2.280	1.986
Downe Township	2.200	2.503
Fairfield Township	2.890	2.378
Greenwich Township	2.510	2.431
Hopewell Township	2.600	2.327
Lawrence Township	2.320	2.402
Maurice River Township	4.040	2.159
Millville City	3.350	2.758
Shiloh Borough	3.250	2.375
Stow Creek Township	2.347	1.993
Upper Deerfield Twp	3.060	1.856
Vineland City	2.688	2.360
Essex		
Belleville Town	10.311	2.963
Bloomfield Town	2.896	2.557
Caldwell Borough	10.420	2.311
Cedar Grove Township	6.011	1.683
East Orange City	15.070	3.785
Essex Fells Borough	7.697	1.523
Fairfield Borough	1.814	1.584
Glen Ridge Borough	7.245	2.939
Irvington Town	14.550	3.058
Livingston Township	7.684	2.184
Maplewood Township	7.219	2.727
Millburn Township	3.447	1.727
Montclair Town	2.696	2.750
Newark City	20.964	3.077
North Caldwell Borough	4.416	1.872
Nutley Town	9.367	2.567
Orange City	16.735	2.833
Roseland Borough	6.459	1.679
So Orange Village Twp	3.050	2.946
Verona Borough	4.620	2.189
West Caldwell Borough	2.201	2.253
West Orange Town	5.398	2.543
Gloucester County		
Clayton Borough	3.810	2.387
Deptford Township	4.325	2.158
East Greenwich Township	3.560	1.935
Elk Township	3.970	2.349
Franklin Township	3.247	2.219
Glassboro Borough	2.490	2.625
Greenwich Township	3.550	2.110
Harrison Township	3.180	2.043
Logan Township	1.970	1.746
Mantua Township	3.730	2.396
Monroe Township	3.480	2.152
National Park Borough	3.740	2.312
Newfield Borough	2.520	2.496
Paulsboro Borough	2.800	2.379
Pitman Borough	2.290	2.400
So Harrison Township	2.960	1.960
Swedesboro Borough	5.450	2.183
Washington Township	2.010	2.000
Wenonah Borough	2.180	2.307
West Deptford Township	3.660	2.007
Westville Borough	3.570	2.421
Woodbury City	4.570	2.547
Woodbury Heights Bor	2.830	2.462
Woolwich Township	2.130	2.112
Hudson		
Bayonne City	2.922	2.557
East Newark Borough	5.585	2.311
Guttenberg Town	4.507	2.614
Harrison Town	2.805	2.197
Hoboken City	2.347	2.411
Jersey City City	3.898	2.989
Kearny Town	4.347	2.217
North Bergen Township	2.666	2.705
Secaucus Town	1.797	1.841
Union City City	3.078	3.059
Weehawken Township	1.904	1.879

County	General Tax Rate	Effective Tax Rate
Hudson (continued)		
West New York Town	3.090	2.805
Hunterdon		
Alexandria Township	1.820	1.753
Bethlehem Township	1.730	1.787
Bloomsbury Borough	1.780	1.742
Califon Borough	2.170	2.091
Clinton Town	2.220	2.381
Clinton Township	1.720	1.762
Delaware Township	1.540	1.621
East Amwell Township	1.740	1.717
Flemington Borough	4.860	1.867
Franklin Township	1.810	1.874
Frenchtown Borough	2.080	1.848
Glen Gardner Borough	2.010	2.091
Hampton Borough	2.410	2.325
High Bridge Borough	2.170	2.147
Holland Township	1.100	1.134
Kingwood Township	1.440	1.494
Lambertville City	1.980	1.944
Lebanon Borough	1.980	1.740
Lebanon Township	1.430	1.495
Milford Borough	2.010	1.717
Raritan Township	1.900	1.906
Readington Township	1.850	1.727
Stockton Borough	1.930	1.998
Tewksbury Township	1.560	1.506
Union Township	1.560	1.640
West Amwell Township	1.600	1.674
Mercer		
East Windsor Township	2.910	2.835
Ewing Township	16.870	2.104
Hamilton Township	7.020	2.169
Hightstown Borough	3.220	3.103
Hopewell Borough	4.250	1.960
Hopewell Township	3.660	1.861
Lawrence Township	8.830	2.093
Pennington Borough	4.140	1.864
Princeton Borough	3.730	1.837
Princeton Township	4.010	1.755
Trenton City	2.740	2.891
Washington Township	6.690	1.684
West Windsor Township	4.670	1.931
Middlesex		
Carteret Borough	2.310	2.187
Cranbury Township	2.380	1.767
Dunellen Borough	5.000	2.361
East Brunswick Township	3.830	2.281
Edison Township	1.720	1.864
Helmetta Borough	2.790	1.709
Highland Park Borough	3.180	3.333
Jamesburg Borough	3.550	2.270
Metuchen Borough	4.470	2.232
Middlesex Borough	3.600	2.325
Milltown Borough	3.760	2.128
Monroe Township	6.320	1.903
New Brunswick City	2.730	2.467
No Brunswick Township	3.380	1.848
Old Bridge Township	2.680	2.940
Perth Amboy City	2.480	2.173
Piscataway Township	2.660	1.905
Plainsboro Township	2.840	2.076
Sayreville Borough	4.900	1.636
South Amboy City	4.100	2.036
So Brunswick Township	1.830	1.958
So Plainfield Borough	2.850	2.132
South River Borough	4.260	2.402
Spotswood Borough	4.660	2.662
Woodbridge Township	3.730	1.989
Monmouth		
Aberdeen Township	2.746	2.604
Allenhurst Borough	1.432	1.453
Allentown Borough	3.154	2.285
Asbury Park City	3.609	3.387
Atlantic Highlands Bor	2.231	2.293
Avon By The Sea Bor	1.536	1.730
Belmar Borough	1.906	2.126
Bradley Beach Borough	2.095	2.342
Brielle Borough	1.444	1.621
Colts Neck Township	1.308	1.310
Deal Borough	1.048	0.755
Eatontown Borough	2.286	2.188
Englishtown Borough	2.260	2.341
Fair Haven Borough	3.109	2.033
Farmingdale Borough	2.348	1.870
Freehold Borough	2.230	2.195
Freehold Township	2.047	1.896
Hazlet Township	3.773	2.250
Highlands Borough	2.452	2.553
Holmdel Township	1.874	1.670
Howell Township	1.854	1.884
Interlaken Borough	1.308	1.353

County	General Tax Rate	Effective Tax Rate
Monmouth (continued)		
Keansburg Borough	2.927	3.036
Keyport Borough	2.478	2.489
Little Silver Borough	2.044	2.036
Loch Arbour Village	2.780	2.081
Long Branch City	2.680	2.417
Manalapan Township	2.246	1.976
Manasquan Borough	1.640	1.699
Marlboro Township	2.196	1.840
Matawan Borough	2.972	2.709
Middletown Township	2.100	1.974
Millstone Township	1.468	1.556
Monmouth Beach Bor	1.620	1.538
Neptune Township	2.306	2.137
Neptune City Borough	2.021	2.136
Ocean Township	2.272	2.037
Oceanport Borough	1.903	1.894
Red Bank Borough	2.791	2.521
Roosevelt Borough	2.567	2.483
Rumson Borough	3.506	1.668
Sea Bright Borough	2.640	1.841
Sea Girt Borough	0.981	1.082
Shrewsbury Borough	1.909	2.009
Shrewsbury Township	3.039	3.019
South Belmar Borough	1.774	2.060
Spring Lake Borough	1.017	1.129
Spring Lake Heights Bor	2.619	1.631
Tinton Falls Borough	2.072	2.225
Union Beach Borough	2.058	2.141
Upper Freehold Township	1.822	1.792
Wall Township	1.754	1.795
West Long Branch Twp	2.049	1.963
Morris		
Boonton Town	4.840	2.090
Boonton Township	3.190	1.538
Butler Borough	3.790	2.452
Chatham Borough	1.850	1.675
Chatham Township	1.740	1.656
Chester Borough	2.780	2.078
Chester Township	3.590	1.969
Denville Township	2.400	1.783
Dover Town	5.510	2.448
East Hanover Township	1.960	1.560
Florham Park Borough	1.690	1.278
Hanover Township	2.690	1.407
Harding Township	1.180	0.846
Jefferson Township	2.100	1.997
Kinnelon Borough	2.230	1.871
Lincoln Park Borough	4.820	2.345
Madison Borough	3.040	1.833
Mendham Borough	1.790	1.790
Mendham Township	1.560	1.628
Mine Hill Township	2.430	2.379
Montville Township	2.900	1.652
Morris Township	1.530	1.569
Morris Plains Borough	3.830	1.955
Morristown Town	2.100	1.865
Mountain Lakes Borough	5.130	2.192
Mt. Arlington Borough	2.490	2.520
Mt. Olive Township	4.590	2.369
Netcong Borough	2.210	2.358
Parsippany-Troy Hills Twp	3.480	1.889
Passaic Township	2.790	1.900
Pequannock Township	3.400	2.134
Randolph Township	4.180	2.065
Riverdale Borough	1.810	1.725
Rockaway Borough	2.200	2.191
Rockaway Township	3.680	2.173
Roxbury Township	4.210	2.054
Victory Gardens Borough	2.070	2.271
Washington Township	4.120	1.998
Wharton Borough	5.170	2.222
Ocean		
Barnegat Township	2.695	2.138
Barnegat Light Borough	0.934	0.929
Bay Head Borough	1.081	0.977
Beach Haven Borough	1.338	1.211
Beachwood Borough	1.768	1.852
Berkeley Township	1.693	1.523
Brick Township	1.940	1.726
Dover Township	3.448	1.697
Eagleswood Township	2.174	2.059
Harvey Cedars Borough	0.961	0.959
Island Heights Borough	1.987	2.074
Jackson Township	2.416	2.408
Lacey Township	1.366	1.309
Lakehurst Borough	3.229	2.494
Lakewood Township	2.381	2.357
Lavallette Borough	1.148	1.044
Little Egg Harbor Twp	2.083	2.108
Long Beach Township	1.000	0.988
Manchester Township	2.310	2.113
Mantoloking Borough	0.710	0.711

County	General Tax Rate	Effective Tax Rate
Ocean (continued)		
Ocean Township	1.640	1.711
Ocean Gate Borough	1.618	1.837
Pine Beach Borough	1.601	1.727
Plumsted Township	1.674	1.659
Point Pleasant Borough	1.873	1.751
Pt. Pleasant Beach Bor	1.637	1.550
Seaside Heights Borough	2.170	1.951
Seaside Park Borough	1.140	1.444
Ship Bottom Borough	1.261	1.305
South Toms River Bor	2.470	2.190
Stafford Township	1.973	1.761
Surf City Borough	1.120	1.043
Tuckerton Borough	2.162	2.130
Passaic		
Bloomingdale Borough	2.759	2.976
Clifton City	1.900	1.784
Haledon Borough	2.236	2.200
Hawthorne Borough	1.786	1.868
Little Falls Township	2.296	1.733
North Haledon Borough	3.369	2.016
Passaic City	3.090	3.015
Paterson City	15.106	2.926
Pompton Lakes Borough	2.527	2.615
Prospect Park Borough	2.090	2.157
Ringwood Borough	2.490	2.569
Totowa Borough	1.598	1.630
Wanaque Borough	2.310	2.536
Wayne Township	1.988	1.949
West Milford Township	2.680	2.334
West Paterson Borough	4.040	1.917
Salem		
Alloway Township	3.300	1.772
Carneys Point Township	7.375	2.162
Elmer Borough	2.520	2.518
Elsinboro Borough	4.550	2.245
Lower Alloways Crk Twp	0.910	0.756
Mannington Township	2.088	1.783
Oldmans Township	2.198	2.025
Penns Grove Township	2.900	3.125
Pennsville Township	7.850	1.742
Pilesgrove Township	2.778	1.831
Pittsgrove Township	2.299	1.929
Quinton Township	3.160	2.116
Salem City	2.986	2.974
Upper Pittsgrove Twp	2.170	1.902
Woodstown Borough	5.250	2.453
Somerset		
Bedminster Township	0.012	1.213
Bernards Township	0.017	1.667
Bernardsville Borough	0.017	1.527
Bound Brook Borough	0.026	2.345
Branchburg Township	0.018	1.865
Bridgewater Township	0.024	1.589
Far Hills Borough	0.016	1.231
Franklin Township	0.040	1.699
Green Brook Township	0.017	1.727
Hillsborough Township	0.035	1.960
Manville Borough	0.046	2.150
Millstone Borough	0.021	2.085
Montgomery Township	0.022	1.836
North Plainfield Borough	0.024	2.546
Peapack-Gladstone Bor	0.013	1.357
Raritan Borough	0.021	2.026
Rocky Hill Borough	0.031	1.666
Somerville Borough	0.037	2.525
South Bound Brook Bor	0.067	2.699
Warren Township	0.032	1.437
Watchung Borough	0.035	1.562
Sussex		
Andover Borough	1.920	1.935
Andover Township	4.700	2.258
Branchville Borough	1.050	1.297
Byram Township	3.780	2.338
Frankford Township	1.920	1.905
Franklin Borough	4.320	2.623
Fredon Township	3.800	2.084
Green Township	2.040	2.201
Hamburg Borough	2.190	2.273
Hampton Township	2.040	2.029
Hardyston Township	4.480	2.232
Hopatcong Borough	2.130	2.178
Lafayette Township	2.360	2.247
Montague Township	1.770	1.668
Newton Town	2.000	2.037
Odgensburg Borough	2.260	2.530
Sandyston Township	1.650	1.569
Sparta Township	2.800	2.087
Stanhope Borough	2.900	2.532
Stillwater Township	2.040	1.860
Sussex Borough	3.010	2.105
Vernon Township	3.430	1.749

County	General Tax Rate	Effective Tax Rate
Sussex (continued)		
Walpack Township	0.530	0.420
Wantage Township	2.270	2.071
Union		
Berkeley Heights Twp	3.73	1.929
Clark Township	3.51	2.134
Cranford Township	2.25	2.204
Elizabeth City	8.57	2.092
Fanwood Borough	5.21	2.542
Garwood Borough	4.16	2.448
Hillside Township	9.68	2.905
Kenilworth Borough	1.85	1.931
Linden City	2.06	1.783
Mountainside Borough	2.78	1.562
New Providence Borough	3.14	1.988
Plainfield City	3.02	2.477
Rahway City	2.71	2.742
Roselle Borough	3.29	3.105
Roselle Park Borough	5.53	2.724
Scotch Plains Township	4.28	2.320
Springfield Township	2.61	2.023
Summit City	3.65	1.644
Union Township	7.21	2.100
Westfield Town	3.13	2.084
Winfield Township	79.49	10.327
Warren		
Allamuchy Township	0.021	1.987
Alpha Borough	0.022	2.050
Belvidere Town	0.025	2.288
Blairstown Township	0.020	1.484
Franklin Township	0.019	1.990
Frelinghuysen Township	0.021	1.899
Greenwich Township	0.018	1.846
Hackettstown Town	0.025	2.225
Hardwick Township	0.018	1.740
Harmony Township	0.016	1.780
Hope Township	0.026	1.934
Independence Township	0.017	1.821
Knowlton Township	0.020	1.967
Liberty Township	0.019	1.945
Lopatcong Township	0.017	1.829
Mansfield Township	0.022	1.937
Oxford Township	0.021	2.254
Pahaquarry Township	0.066	5.814
Phillipsburg Town	0.022	2.208
Pohatcong Township	0.018	1.851
Washington Borough	0.027	2.655
Washington Township	0.020	2.079
White Township	0.014	1.792

Abstract of Ratables and Exemptions 1992

COUNTY	Col. 1 TAXABLE VALUE (a) Land	Col. 1 TAXABLE VALUE (b) Improvements (Includes Partial Exemptions & Abatements)	Col. 2 Total Taxable Value of Land and Improvements (Col. 1 (a) + (b))	Col. 3 Total Taxable Value—Partial Exemptions and Abatements (Assessed Value)	Col. 4 Net Total Taxable Value of Land and Improvements (Col. 2–3)	Col. 5 Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
Atlantic	$5,907,664,332	$9,846,652,152	$15,754,316,484	$11,765,200	$15,742,551,284	$121,753,000
Bergen	31,618,454,162	36,746,040,596	68,364,494,758	6,956,400	68,357,538,358	305,863,356
Burlington	5,187,737,345	11,908,581,084	17,096,318,429	10,089,700	17,086,228,729	164,892,085
Camden	2,453,676,919	7,639,210,837	10,092,887,756	30,914,300	10,061,973,456	146,497,945
Cape May	7,252,992,065	5,661,815,990	12,914,808,055	171,700	12,914,636,355	70,477,423
Cumberland	787,810,736	2,533,308,224	3,321,118,960	65,034,512	3,256,084,448	42,692,535
Essex	6,631,778,900	11,308,484,200	17,940,263,100	13,691,700	17,926,571,400	140,993,000
Gloucester	2,056,100,250	5,438,539,528	7,494,639,778	18,278,825	7,476,360,953	69,888,239
Hudson	7,885,681,469	12,576,001,178	20,461,682,647	37,861,600	20,423,821,047	144,828,354
Hunterdon	3,727,258,287	5,180,815,475	8,908,073,762	0	8,908,073,762	44,434,258
Mercer	2,210,697,695	6,228,400,729	8,439,098,424	22,864,980	8,416,233,444	92,558,298
Middlesex	10,933,606,600	20,672,296,825	31,605,903,425	44,407,800	31,561,495,625	293,945,797
Monmouth	16,176,072,594	20,872,912,783	37,048,985,377	40,866,050	37,008,119,327	322,113,351
Morris	10,348,563,779	16,743,221,414	27,091,785,193	470,500	27,091,314,693	225,425,759
Ocean	13,728,555,468	14,354,691,787	28,083,247,255	59,892,600	28,023,354,655	187,075,593
Passaic	9,200,189,385	11,245,858,621	20,446,048,006	2,941,800	20,443,106,206	125,221,236
Salem	317,600,685	1,207,879,512	1,525,480,197	155,100	1,525,325,097	21,747,377
Somerset	5,821,362,465	10,385,002,338	16,206,364,803	3,562,700	16,202,802,103	108,969,290
Sussex	2,445,513,333	4,159,446,286	6,604,959,619	389,654	6,604,569,965	33,161,745
Union	7,593,171,480	11,900,532,810	19,493,704,290	4,000	19,493,700,290	130,846,989
Warren	1,889,469,840	3,283,065,117	5,172,534,957	6,481,515	5,166,053,442	40,431,819
TOTALS	$154,173,957,789	$229,892,757,486	$384,066,715,275	$376,800,636	$383,689,914,639	$2,833,817,449

Abstract of Ratables and Exemptions 1992 (continued)

COUNTY	Col. 6 Net Valuation Taxable (Col. 4 + 5)	Col. 7 General Tax Rate to Apply per $100 Valuation	Col. 8 County Equalization Table—Average Ratio of Assessed to True Value of Real Property (R.S. 54:3-17 to R.S. 54:3-19)	Col. 9 True Value of Class II Railroad Property (C.139, L. 1966)	Col. 10 EQUALIZATION (a) Amounts Deducted Under R.S. 54:3-17 to 19	Col. 10 EQUALIZATION (b) Amounts Added Under R.S. 54:3-17 to 19 and R.S. 54:11D-7	Col. 11 Net Valuation on Which County Taxes Are Apportioned (Col. 6 + 9 –10(a) + 10(b))
Atlantic	$15,864,304,284			$85,771	$77,882,615	$3,563,273,771	$19,349,781,211
Bergen	68,663,401,714			1,430,149	365,665,464	12,714,911,311	81,014,077,710
Burlington	17,251,120,814			0	144,165,031	1,916,637,851	19,023,593,634
Camden	10,208,471,401			26,899	102,598,879	9,282,736,199	19,388,635,620
Cape May	12,985,113,778			0	395,444,689	597,779,454	13,187,448,543
Cumberland	3,298,776,983			0	12,407,161	787,976,444	4,074,346,266
Essex	18,067,564,400			1,808,223	83,868,264	21,621,052,596	39,606,556,955
Gloucester	7,546,249,192			96,928	54,491,172	2,765,524,424	10,257,379,372
Hudson	20,568,649,401			11,149,544	147,873,050	3,679,314,962	24,111,240,857
Hunterdon	8,952,508,020			0	157,786,452	165,966,745	8,960,688,313
Mercer	8,508,791,742			549,486	111,933,446	10,216,956,641	18,614,364,423
Middlesex	31,855,441,422			1,388,028	1,041,597,924	11,677,624,048	42,492,855,574
Monmouth	37,330,232,678			189,867	621,642,459	3,576,105,123	40,284,885,209
Morris	27,316,740,452			726,509	132,115,707	12,791,380,066	39,976,731,320
Ocean	28,210,430,248			409,163	157,014,901	4,593,011,530	32,646,836,040
Passaic	20,568,327,442			546,881	223,135,402	4,225,828,306	24,571,567,227
Salem	1,547,072,474			0	7,107,365	1,207,218,372	2,747,183,481
Somerset	16,311,771,393			338,311	138,476,441	6,616,707,437	22,790,340,700
Sussex	6,637,731,710			2,701	83,817,994	1,912,012,193	8,465,928,610
Union	19,624,547,279			900,701	50,058,117	13,058,124,056	32,633,513,919
Warren	5,206,485,261			0	184,686,652	292,969,805	5,314,768,414
TOTALS	$386,523,732,088			$19,649,161	$4,293,769,185	$127,263,111,334	$509,512,723,398

Abstract of Ratables and Exemptions 1992 (continued)

Col. 12—APPORTIONMENT OF TAXES

Section A
County Taxes

COUNTY	I	II				III	IV
		ADJUSTMENTS RESULTING FROM					
		(a) County Equalization Table Appeals (R.S. 54:51A-4)		(b) Appeals and Corrected Errors (R.S. 54:4-49; R.S. 54:4-53)			
	Total County Taxes Apportioned (Including Total Net Adjustments)	Deduct Overpayment	Add Underpayment	Deduct Overpayment	Add Underpayment	Net County Taxes Apportioned	Municipal Budget State Aid (R.S. 52:27D-119.40)
Atlantic	$ 85,210,851	$0	$0	$1,213,234	$355	$ 83,997,972	$0
Bergen	209,593,202	990,235	990,235	3,384,083	10,025	206,219,145	0
Burlington	104,368,597	0	0	1,039,135	0	103,329,462	328,719
Camden	156,042,220	0	0	1,361,536	576	154,681,260	0
Cape May	51,480,198	0	0	217,317	0	51,262,881	242,779
Cumberland	37,848,064	0	0	424,992	0	37,423,072	220,486
Essex	252,048,260	0	0	6,841,849	0	245,206,411	0
Gloucester	63,937,195	0	0	363,886	0	63,573,309	0
Hudson	150,849,321	0	0	6,537,876	0	144,311,445	0
Hunterdon	27,933,899	0	0	203,899	0	27,730,000	0
Mercer	93,662,450	0	0	1,046,501	20,115	92,636,064	0
Middlesex	183,259,570	25,726	0	1,923,044	289,200	181,600,000	0
Monmouth	171,439,116	0	0	1,843,433	34,317	169,630,000	0
Morris	118,244,071	66,205	66,205	964,801	0	117,279,270	0
Ocean	126,933,701	0	0	1,847,220	207	125,086,688	0
Passaic	119,887,441	0	0	1,559,941	0	118,327,500	0
Salem	21,503,736	0	0	31,268	88,341	21,560,809	245,626
Somerset	92,122,786	0	0	923,515	728	91,200,000	0
Sussex	33,658,258	0	0	3,051,275	0	30,606,983	20,866
Union	139,032,224	0	0	918,324	0	138,113,900	0
Warren	33,712,779	0	0	342,386	768	33,371,162	0
TOTALS	$2,272,767,942	$1,082,166	$1,056,440	$36,039,515	$444,632	$2,237,147,333	$1,058,476

Abstract of Ratables and Exemptions 1992 (continued)

Col. 12—APPORTIONMENT OF TAXES

COUNTY	Section A County Taxes V Net County Taxes Apportioned Less Municipal Budget State Aid (Col. AIII–IV)	Section B (a) County Library Taxes	Section B (b) Local Health Service Taxes (R.S. 26:3A2-19)	Section B (c) County Open Space Preservation Trust Fund Tax	Section C Local Taxes to be Raised for I DISTRICT SCHOOL PURPOSES (a) As Required by District School Budget	Section C Local Taxes to be Raised for I DISTRICT SCHOOL PURPOSES (b) Regional Consolidated and Joint School Budgets
Atlantic	$83,997,972	$3,186,680	$2,397,554	$967,489	$119,383,664	$22,871,884
Bergen	206,219,145	0	0	0	689,031,500	93,085,786
Burlington	103,000,743	4,700,000	0	0	186,313,641	41,601,735
Camden	154,681,260	2,267,100	0	0	215,932,059	32,362,956
Cape May	51,020,102	2,496,689	0	1,318,745	59,392,360	8,212,316
Cumberland	37,202,586	0	1,413,818	0	37,010,320	2,446,135
Essex	245,206,411	0	0	0	367,628,044	68,364,440
Gloucester	63,573,309	953,797	0	0	97,282,026	12,957,450
Hudson	144,311,445	0	0	0	235,681,294	0
Hunterdon	27,730,000	2,167,500	0	0	70,535,558	37,866,264
Mercer	92,636,064	4,541,350	0	1,846,279	127,283,779	89,405,496
Middlesex	181,600,000	0	0	0	514,381,616	16,787,775
Monmouth	169,630,000	4,556,317	763,461	4,000,000	326,897,981	110,287,454
Morris	117,279,270	0	0	0	336,969,846	107,414,531
Ocean	125,086,688	9,613,700	3,350,000	0	182,848,181	100,427,156
Passaic	118,327,500	0	0	0	231,308,248	19,919,550
Salem	21,315,183	0	0	0	20,045,679	8,344,038
Somerset	91,200,000	3,791,347	0	3,418,700	216,390,619	13,389,844
Sussex	30,586,117	2,181,164	1,520,860	0	75,644,666	30,305,832
Union	138,113,900	0	0	0	300,413,080	61,651 195
Warren	33,371,162	1,960,169	0	0	49,324,152	10,222,237
TOTALS	$2,236,088,857	$42,415,813	$9,445,693	$11,551,213	$4,459,698,312	$887,924,070

Abstract of Ratables and Exemptions 1992 (continued)

COUNTY	Col. 12—APPORTIONMENT OF TAXES			Col. 13		
	Section C Local Taxes to be Raised for		Section D Total Tax Levy on Which Tax Rate is Computed	REAL PROPERTY EXEMPT FROM TAXATION		
	I DISTRICT SCHOOL PURPOSES (c) As Required by Local Municipal Budget	II LOCAL MUNICIPAL PURPOSES	(Cols. AV + B(a), (b), (c) + CI(a), (b), (c) + CII)	(a) Public School Property	(b) Other School Property	(c) Public Property
Atlantic	$2,320,698	$145,692,868	$380,818,808	$357,904,500	$26,900,100	$1,205,221,600
Bergen	1,272,629	423,923,562	1,415,043,121	1,682,433,200	569,785,200	3,908,809,319
Burlington	68,405	60,733,113	396,417,636	471,742,320	69,159,100	1,573,239,504
Camden	0	100,888,705	506,132,080	363,024,700	142,590,150	629,413,916
Cape May	131,548	72,797,774	195,369,533	105,108,900	21,617,900	584,527,750
Cumberland	417,221	20,293,833	98,783,913	121,426,699	20,891,800	313,333,596
Essex	3,473,742	318,729,547	1,003,402,183	634,571,600	393,811,900	2,163,031,300
Gloucester	0	47,491,484	222,258,065	237,566,000	121,613,400	220,837,300
Hudson	9,445,887	236,454,424	625,893,051	527,718,900	363,458,200	2,231,561,440
Hunterdon	0	17,842,213	156,141,535	170,151,620	4,652,400	559,677,278
Mercer	390,387	86,405,522	402,508,876	301,997,780	549,855,800	1,182,087,410
Middlesex	6,221,966	168,447,648	887,439,004	1,506,117,700	772,372,100	1,040,267,300
Monmouth	32,000	172,482,683	788,649,896	772,402,200	151,049,600	1,656,368,405
Morris	0	176,639,975	738,303,622	577,635,375	209,107,900	1,334,427,290
Ocean	3,583,272	119,648,870	544,557,867	444,711,507	57,911,800	1,864,998,768
Passaic	765,686	164,819,697	535,140,681	459,925,550	118,116,900	1,183,133,152
Salem	65,674	3,659,276	53,429,851	61,088,500	1,574,700	85,065,700
Somerset	0	69,742,682	397,933,192	317,405,250	71,117,475	574,797,694
Sussex	0	34,003,797	174,242,435	177,473,400	22,685,000	352,523,534
Union	2,482,214	193,314,130	695,974,518	573,293,700	167,578,700	1,636,980,000
Warren	0	11,061,390	105,939,110	124,665,727	39,136,372	155,254,306
TOTALS	$30,671,328	$2,645,073,192	$10,324,378,979	$9,988,365,128	$3,894,986,497	$24,455,556,562

Abstract of Ratables and Exemptions 1992 (continued)

COUNTY	Col. 13				Col. 14	
	REAL PROPERTY EXEMPT FROM TAXATION				AMOUNT OF MISCELLANEOUS REVENUES FOR THE SUPPORT OF THE LOCAL MUNICIPAL BUDGET	
	(d) Church and Charitable Property	(e) Cemetaries and Graveyards	(f) Other Exemptions not Included in Foregoing Classification	(g) Total Amount of Real Property Exempt From Taxation (a + b + c + d + e + f)	(a) Surplus Revenue Appropriated	(b) Miscellaneous Revenue Anticipated
Atlantic	$197,433,115	$15,404,600	$641,987,100	$2,444,851,015	$22,136,835	$76,205,642
Bergen	871,914,036	324,890,700	2,460,988,900	9,818,821,355	62,387,401	238,766,939
Burlington	347,817,788	13,848,350	483,480,735	2,959,287,797	35,832,119	77,971,636
Camden	285,702,289	14,796,968	483,652,320	1,919,180,343	17,946,880	66,296,512
Cape May	168,326,010	2,421,300	199,964,000	1,081,965,860	12,538,480	45,802,943
Cumberland	80,634,650	4,774,400	54,443,800	595,504,945	10,746,250	35,357,938
Essex	716,170,900	46,510,700	1,426,815,070	5,380,911,470	28,927,487	474,279,052
Gloucester	152,393,400	6,414,500	78,109,200	816,933,800	12,346,251	50,772,605
Hudson	634,615,500	150,633,000	2,604,836,801	6,512,823,841	18,079,724	287,821,711
Hunterdon	127,850,697	11,157,200	71,428,064	944,917,259	17,556,549	26,024,588
Mercer	256,738,230	13,459,133	411,513,960	2,715,652,313	18,812,415	148,758,040
Middlesex	677,069,300	87,239,100	774,340,800	4,857,406,300	27,133,716	183,069,953
Monmouth	571,785,250	52,465,400	1,114,206,900	4,318,277,755	42,279,184	131,297,411
Morris	555,070,625	35,549,025	372,108,545	3,083,898,760	28,596,790	113,829,849
Ocean	264,618,172	7,135,900	200,090,080	2,839,466,227	31,843,185	81,786,745
Passaic	601,583,576	76,659,800	313,474,454	2,752,893,432	15,426,521	72,922,997
Salem	40,318,100	1,384,800	52,818,700	242,250,500	5,424,297	30,662,910
Somerset	223,519,050	19,455,215	286,090,825	1,492,385,509	19,657,058	52,106,706
Sussex	94,682,300	3,299,200	78,284,300	728,947,734	8,204,360	22,180,343
Union	480,657,630	156,713,000	175,766,500	3,190,989,530	46,144,847	166,329,035
Warren	96,215,180	12,749,816	121,756,536	549,777,937	11,627,059	21,569,532
TOTALS	$7,445,115,798	$1,056,962,107	$12,406,157,590	$59,247,143,682	$493,647,409	$2,403,813,088

Abstract of Ratables and Exemptions 1992 (continued)

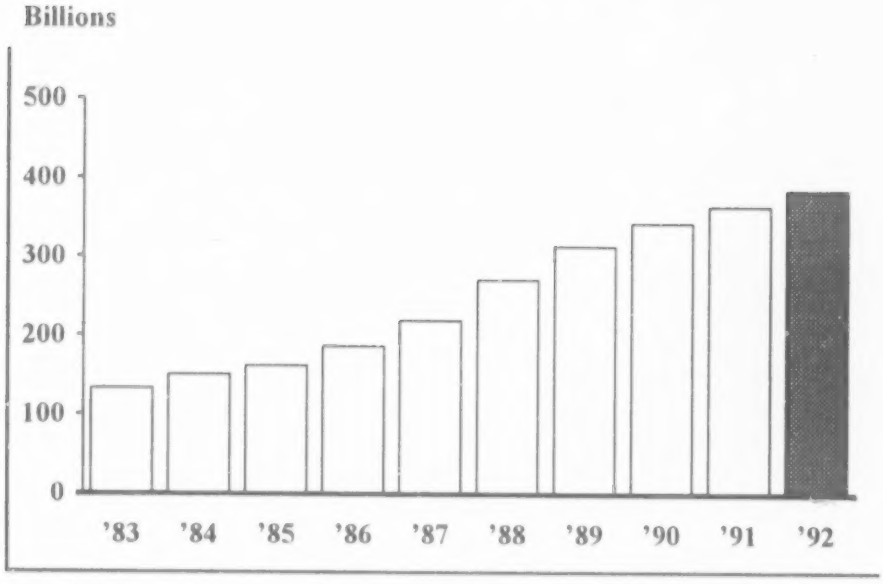
COUNTY	Col. 14		Col. 15		Col. 16
	AMOUNT OF MISCELLANEOUS REVENUES FOR THE SUPPORT OF THE LOCAL MUNICIPAL BUDGET		DEDUCTIONS ALLOWED		
	(c) Receipts from Delinquent Taxes and Liens	(d) Total of Miscellaneous Revenues (a + b + c)	(a) Full Estimated Amount of Senior Citizen, Totally Disabled and Surviving Spouse Deductions Allowed	(b) Veterans Deductions	Total Ratables Determined Pursuant to R.S. 54:1-35 After Equalization Under R.S. 54:1-33 and R.S. 54:1-34
Atlantic	$20,885,343	$119,227,820	$1,382,500	$ 534,300	$19,195,707,159
Bergen	27,322,199	328,476,540	4,561,750	2,431,200	80,522,228,212
Burlington	15,019,746	128,823,501	1,768,779	1,183,420	18,834,285,364
Camden	16,514,747	100,758,139	3,473,250	1,324,050	19,152,870,170
Cape May	12,931,500	71,272,924	844,000	342,450	13,097,143,103
Cumberland	6,982,901	53,087,090	1,234,835	317,750	3,985,638,101
Essex	40,221,107	543,427,646	2,390,750	1,103,100	38,450,331,245
Gloucester	11,302,209	74,421,065	1,407,750	658,350	10,149,921,882
Hudson	39,865,000	345,766,434	1,978,500	572,150	23,431,155,462
Hunterdon	7,289,077	50,870,214	379,250	259,751	9,291,889,632
Mercer	14,756,018	182,326,473	2,000,500	802,119	18,230,992,445
Middlesex	26,430,348	236,634,018	3,596,750	1,850,000	43,493,364,939
Monmouth	33,003,013	206,579,608	1,994,250	1,398,400	40,486,229,687
Morris	18,895,736	161,322,375	1,293,250	1,060,850	39,568,026,243
Ocean	24,114,282	137,744,212	5,076,250	1,846,350	32,580,272,512
Passaic	11,398,447	99,747,965	2,296,250	914,000	24,040,881,280
Salem	4,102,032	40,189,239	480,750	192,100	2,614,955,634
Somerset	11,248,353	83,012,117	951,500	592,550	22,470,481,991
Sussex	9,381,593	39,766,296	551,850	324,350	8,378,999,709
Union	15,239,922	227,713,805	2,856,750	1,293,450	32,785,764,377
Warren	6,446,017	39,642,608	605,250	256,500	5,415,578,466
TOTALS	$373,349,591	$3,270,810,088	$41,124,714	$19,257,190	$506,176,717,613

1992 Assessed Value of Partial Exemptions and Abatements

(Summary Addendum to Abstract of Ratables)

COUNTY	Residential	Multiple Dwelling	Commercial and Industrial	Fallout Shelter	Air/Water Pollution	Water Supply Sewage Disposal	Automatic Fire Suppression Systems	Total Assessed Value (Col. 3 of Abstract)
Atlantic	$2,789,000	–	$8,976,200	–	–	–	–	$11,765,200
Bergen	6,493,900	–	–	–	$462,500	–	–	6,956,400
Burlington	8,775,600	–	–	$1,000	1,313,100	–	–	10,089,700
Camden	14,147,830	–	16,676,870	–	89,600	–	–	30,914,300
Cape May	170,700	–	–	1,000	–	–	–	171,700
Cumberland	5,897,800	–	57,197,412	2,300	1,875,500	$61,500	–	65,034,512
Essex	332,800	$4,037,400	6,180,500	–	737,900	–	$101,800	13,691,700
Gloucester	4,318,700	–	567,400	–	13,379,425	13,300	–	18,278,825
Hudson	20,681,100	14,666,900	–	–	13,600	2,500,000	–	37,861,600
Hunterdon	–	–	–	–	–	–	–	–
Mercer	1,277,370	1,296,500	16,181,740	1,070,900	2,975,670	62,800	–	22,864,980
Middlesex	15,615,800	–	25,481,200	–	3,310,800	–	–	44,407,800
Monmouth	15,201,450	–	21,243,200	–	1,820,200	2,601,200	–	40,866,050
Morris	125,300	–	–	5,000	198,400	141,800	–	470,500
Ocean	86,700	–	44,653,900	5,800	14,971,100	175,100	–	59,892,600
Passaic	2,150,600	–	570,500	–	–	220,700	–	2,941,800
Salem	155,100	–	–	–	–	–	–	155,100
Somerset	3,562,700	–	–	–	–	–	–	3,562,700
Sussex	389,654	–	–	–	–	–	–	389,654
Union	–	–	–	–	–	–	4,000	4,000
Warren	2,116,773	–	3,154,942	–	1,209,800	–	–	6,481,515
Totals	$104,288,877	$20,000,800	$200,883,864	$1,086,000	$42,357,595	$5,776,400	$105,800	$376,800,636

Total Taxable Value
Land and Improvements in New Jersey
1983 – 1992



1992 County Values

Atlantic	$15,754,316,484
Bergen	68,364,494,758
Burlington	17,096,318,429
Camden	10,092,887,756
Cape May	12,914,808,055
Cumberland	3,321,118,960
Essex	17,940,263,100
Gloucester	7,494,639,778
Hudson	20,461,682,647
Hunterdon	8,908,073,762
Mercer	8,439,098,424
Middlesex	$31,605,903,425
Monmouth	37,048,985,377
Morris	27,091,785,193
Ocean	28,083,247,255
Passaic	20,446,048,006
Salem	1,525,480,197
Somerset	16,206,364,803
Sussex	6,604,959,619
Union	19,493,704,290
Warren	5,172,534,957
Total	**$384,066,715,275**

Public Utility Taxes 1993

(Energy Unit, Franchise and Gross Receipts)

Collected by the State and Available for Apportionment to Municipalities (Calendar Year)
Distribution Subject to Budgetary and Statutory Limitations and Restrictions

Classification	Number of Companies	Energy Based Taxes*	Franchise Taxes*		Gross Receipts Taxes*	
			Gross Receipts	Tax	Gross Receipts	Tax
Electric Energy	3	$394,753,682				
Gas Energy	3	148,228,224				
Electric & Gas Energy	2	811,975,976				
Municipal Electric Energy	1	2,020,953				
Water	51		$371,054,199	$18,947,642	$394,717,878	$30,272,363
Sewer	19		19,438,438	937,157	23,884,584	1,772,875
Telephone & Telegraph	3		1,162,306,162	86,897,272	0	0
	82					
Total		$1,356,978,835	$1,552,798,799	$106,782,071	$418,602,462	$32,045,238
Administrative Cost		208,927		18,648		7,697
Net Tax Apportioned		$1,356,769,908		$106,763,423		$32,037,541

Total Net Tax Apportioned (Energy Unit, Franchise and Gross Receipts) $1,495,570,872

*Includes adjustments for credit and/or advance payments under C. 35 and C. 36, P.L. 1979 and/or C. 184, P.L. 1991.

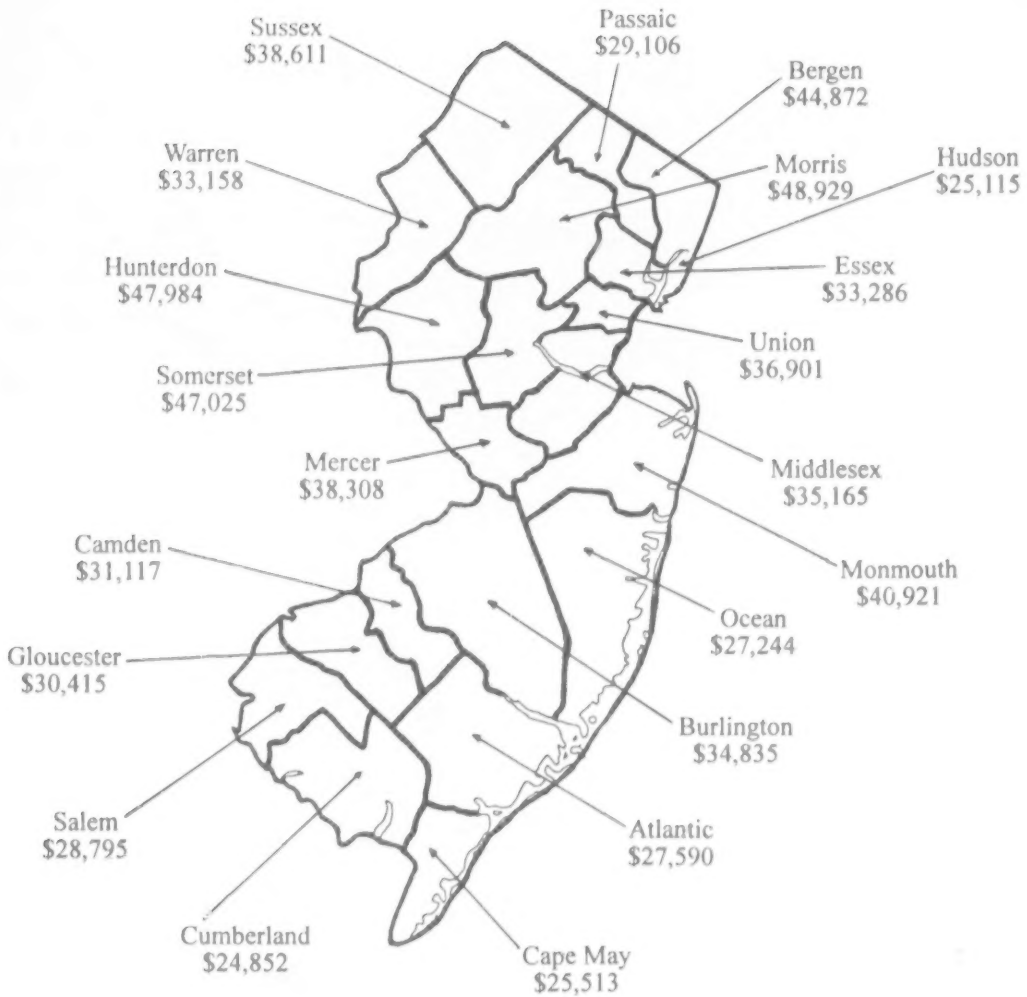
Individual Income Tax Returns
County Profile 1991

County	No. of Returns	NJ Taxable Income	Tax Liability
Atlantic	104,737	$2,599,454,000	$73,373,000
Bergen	421,125	17,509,131,000	503,988,000
Burlington	173,991	5,526,498,000	149,761,000
Camden	220,459	6,217,675,000	156,977,000
Cape May	45,840	1,034,691,000	28,718,000
Cumberland	62,747	1,387,698,000	37,763,000
Essex	350,042	10,650,572,000	319,177,000
Gloucester	96,079	2,635,144,000	61,353,000
Hudson	234,566	5,291,322,000	102,550,000
Hunterdon	49,588	2,218,340,000	73,914,000
Mercer	149,185	5,274,279,000	165,054,000
Middlesex	305,608	9,822,074,000	257,956,000
Monmouth	256,795	9,669,250,000	278,500,000
Morris	195,371	8,917,526,000	294,769,000
Ocean	193,520	4,651,121,000	124,994,000
Passaic	216,996	5,653,099,000	153,976,000
Salem	26,384	684,089,000	16,792,000
Somerset	133,967	5,881,763,000	199,073,000
Sussex	57,558	2,029,607,000	56,871,000
Union	218,872	7,396,751,000	214,590,000
Warren	43,818	1,320,623,000	36,450,000
County Unknown	93,277	3,831,862,000	117,512,000
Totals	**3,650,525**	**$120,202,569,000**	**$3,424,111,000**

Average Gross Income

Tax Year 1991

Statewide Average $35,974



Sales and Use Tax Collections by Business Type
1991–1992
(Dollar Amounts in Thousands)

Business Type	Number of Vendors		Sales Tax		Use Tax		Total Tax		% Change
	1991	1992	1991	1992	1991	1992	1991	1992	
Exempt Organizations	322	318	$1,282	$1,120	$78	$0	$1,401	$1,148	–18.1%
Manufacturing	9,679	9,910	110,338	96,952	35,700	38,167	150,432	139,422	–7.3
Service	55,977	55,317	891,001	785,791	86,882	83,467	990,044	928,443	–6.2
Wholesale	9,323	9,225	147,156	138,069	9,810	11,942	158,137	155,701	–1.5
Construction	15,826	15,620	64,453	63,620	6,635	6,593	71,728	70,439	–1.8
Retail	77,859	75,006	1,909,906	1,877,546	59,638	55,490	1,966,930	1,938,149	–1.5
Government	18	18	28,685	54,154	0	0	58,744	54,464	–7.3
Not Classified	33,515	38,281	300,486	287,137	15,661	11,208	317,610	300,375	–5.4
Totals	**202,519**	**203,695**	**$3,453,307**	**$3,304,387**	**$214,405**	**$206,866**	**$3,715,027**	**$3,588,141**	**–3.4%**

Major Taxes
Comparison with Nearby States

	CT	DE	MD	MA	NJ	NY State	NY City	OH	PA
CORPORATION NET INCOME	11.5%	8.7%	7%	9.5%	**9%**	9%	8.85%	5.1%–8.9%	12.25%
PERSONAL INCOME	4.5%	*3.2%–7.7%	*2%–6%	5.95%, 12%	***2%–7%**	*4%–7.594%	*2.51%–4.46%	*0.743%–7.5%	2.8%
*Graduated Rates									
MOTOR FUELS									
• **ExciseTax/Gal.**									
Gasoline	$0.29	$0.19	$0.235	$0.21	**$0.105**[1]	$0.08	0	$0.22	$0.12
Diesel	$0.18	0	$0.2425	$0.21	**$0.135**	$0.10	0	$0.22	$0.12
• **Sales Tax**	6%	None	0	0	**0**	4%	4.25%	0	0
[1] Liquefied petroleum gas and compressed natural gas used in motor vehicles on public highways is taxed at 1/2 the general motor fuels tax rate ($0.0525 per gallon).									
ALCOHOL									
• **Excise Tax/Gal.**									
Beer	$0.20	$0.156	$0.09	$0.11	**$0.12**	$0.21	$0.33[2]	$0.18	$0.08
Wine	$0.60–$1.50	$0.97	$0.40	$0.55–$1.10	**$0.70**	$0.189–$0.945	$0.189–$0.945[2]	$0.30–$1.48	$0.005/unit proof
Liquor	$4.50	$3.64–$5.46	$1.50	$4.05	**$4.40**	$6.83	$7.83[2]	$3.38[3]	18% of net price
• **Sales Tax**	6%	None	5%	5%[1]	**6%**	4%	8.25%[2]	5%	6%
[1] Purchases for off-premises consumption are not taxable. [2] New York City rate includes New York State rate. [3] Ohio Department of Liquor Control must pay the State Treasury $3.38 for each gallon sold.									
TOBACCO									
• **Excise Tax**									
Cigarettes (20/pack)	$0.47	$0.24	$0.36	$0.51	**$0.40**	$0.56	$0.64[1]	$0.24	$0.31
Other Tobacco (% of Wholesale Price)	20%	15%	0	25%[2]	**24%**	20%	20%	17%	0
• **Sales Tax**	6%	None	5%	5%	**6%**	4%	8.25%[1]	5%	6%
[1] New York City rate includes New York State rate. [2] 50% on smokeless tobacco.									

Sales and Use Tax
Comparison with Nearby States (continued)

	CT	DE	MD	MA	NJ	NY State	NY City	OH	PA
YEAR OF ADOPTION	1947	–	1947	1966	**1966**	1965	1965	1934	1953
CURRENT RATE	6%	None	5%	5%	**6%**	4%[1]	8.25%[2]	5%[3]	6%[4]

[1] State rate is 4%; counties and municipalities may impose additional tax up to 4% plus an additional metropolitan area surcharge of .25%.
[2] New York City rate includes New York State rate.
[3] State rate is 5%; each county may impose an additional 2%.
[4] State rate is 6%; City of Philadelphia imposes an additional 1% for a total of 7%.

SALES AND USE TAX EXEMPTIONS
(T—Taxable; E—Exempt)

	CT	DE	MD	MA	NJ	NY	OH	PA
Beer On–Premises	T	E	T	T	**T**	T	T	T
Beer Off–Premises	T	E	T	E[1]	**T**	T	T	T
Cigarettes	T	E	T	T	**T**	T	T	T
Clothing	E[2]	E	T	E[3]	**E**	T	T	E
Food Off–Premises	E[4]	E	E[4]	E[4]	**E**[4]	E[4]	E	E[4]
Liquor On–Premises	T	E	T	T	**T**	T	T	T
Liquor Off–Premises	T	E	T	E[1]	**T**	T	T	T
Manufacturing Equipment	E	E	E	E	**E**	E	E	E
Motor Fuels	T	E	E	E[5]	**E**	T	E	E

[1] If purchased as "take-out" item from a package store.
[2] Single article $49.99 and under; however, single article $50.00 or over is taxable.
[3] Single item $175 and under; however, single article over $175 is taxed on the amount in excess of $175.
[4] If purchase is in same form and condition as found in supermarket; however, prepared food ready to be eaten is subject to tax.
[5] If fuel is subject to excise tax. If not for "on road use," it is not subject to excise tax and, therefore, subject to sales tax. Example: Contractor has a bulldozer for "off road use" which runs on diesel fuel. The fuel is not subject to excise tax; therefore, it is now subject to sales tax, unless used in performance of a government contract.

Major State Tax Rates
(On July 1, 1993)

State	Personal Income (%)	Corporation Net Income (Excluding Surtax) (%)	Sales (%)	Motor Fuels (Per Gallon) ($)	Cigarettes (20–Pack) ($)
Alabama	*2%–5%	5%	4%	$0.16	$0.165
Alaska	None	*1–9.4	None	0.08	0.29
Arizona	*3.8–7	9.3	5	0.18	0.18
Arkansas	*1–7	*1–6.5	4.5	0.185	0.315
California	*1–11	9.3	6	0.17	0.35
Colorado	5[1]	5	3	0.22	0.20
Connecticut	4.5	11.5	6	0.29	0.47
Delaware	*3.2–7.7	8.7	None	0.19	0.24
Dist. of Columbia	*6–9.5	10.5	6	0.20	0.65
Florida	None	5.5	6	0.08	0.339
Georgia	*1–6	6	4	0.075	0.12
Hawaii	*2–10	*4.4–6.4	4	0.248–0.325	0.60
Idaho	*2–8.2	8	5	0.21	0.18
Illinois	3	4.8	6.25	0.19	0.30
Indiana	3.4	3.4	5	0.15	0.155
Iowa	*.4–9.98	*6–12	5	0.20	0.36
Kansas	*3.5–7.75	4	4.9	0.18	0.24
Kentucky	*2–6	*4–8.25	6	0.15	0.03
Louisiana	*2–6	*4–8	4	0.20	0.20
Maine	*2.1–9.89	*3.5–9.823	6	0.19	0.37
Maryland	*2–6	7	5	0.235	0.36
Massachusetts	5.95, 12	9.5	5	0.21	0.51
Michigan	4.6	2.35	4	0.15	0.25
Minnesota	*6–8.5	9.8	6	0.20	0.48
Mississippi	*3–5	*3–5	7	0.18	0.18

*Graduated Rates
[1]of Federal taxable income

Major State Tax Rates (continued)
(On July 1, 1993)

State	Personal Income (%)	Corporation Net Income (Excluding Surtax) (%)	Sales (%)	Motor Fuels (Per Gallon) ($)	Cigarettes (20–Pack) ($)
Missouri	*1.5–6%	5%	4.225%	$0.13	$0.13
Montana	6.7	7.08–7.57	None	0.24	0.1926
Nebraska	*2.37–6.92	*5.58–7.81	5	0.265	0.34
Nevada	None	None	6.5	0.225	0.35
New Hampshire	5	8	None	0.18	0.25
New Jersey	***2%–7**	**9**	**6**	**0.105**	**0.40**
New Mexico	*1.8–8.5	*4.8–7.6	5	0.22	0.21
New York	*4–7.594	9	4	0.08	0.56
North Carolina	*6–7.75	7.75	4	0.219	0.05
North Dakota	*2.67–12	*3–10.5	5	0.17	0.44
Ohio	*.743–7.5	*5.1–8.9	5	0.22	0.24
Oklahoma	*.5–7	6	4.5	0.16	0.23
Oregon	5–9	.6	None	0.24	0.28
Pennsylvania	2.8	12.25	6	0.12	0.31
Rhode Island	27.5[1]	9	7	0.28	0.44
South Carolina	*2.5–7	5	5	0.16	0.07
South Dakota	None	None	4	0.18	0.23
Tennessee	None	6	6	0.214	0.13
Texas	None	.25	6.25	0.20	0.41
Utah	*2.55–7.2	5	5	0.19	0.265
Vermont	28–34[1]	*5.5–8.25	4	0.15	0.20
Virginia	*2–5.75	6	3.5	0.175	0.025
Washington	None	None	6.5	0.23	0.54
West Virginia	*3–6.5	9	6	0.205	0.17
Wisconsin	*4.9–6.93	7.9	5	0.222	0.38
Wyoming	None	None	4	0.09	0.12
US AVERAGE	3.6%–6.9%	5.7%–6.8%	4.6%	$0.19	$0.28

*Graduated Rates

[1]of Federal taxable income

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